

DCMC

FY 1997 Business Plan

Monthly Management Review

February 20, 1997

Agenda

District West

District International

District East

Head Quarters

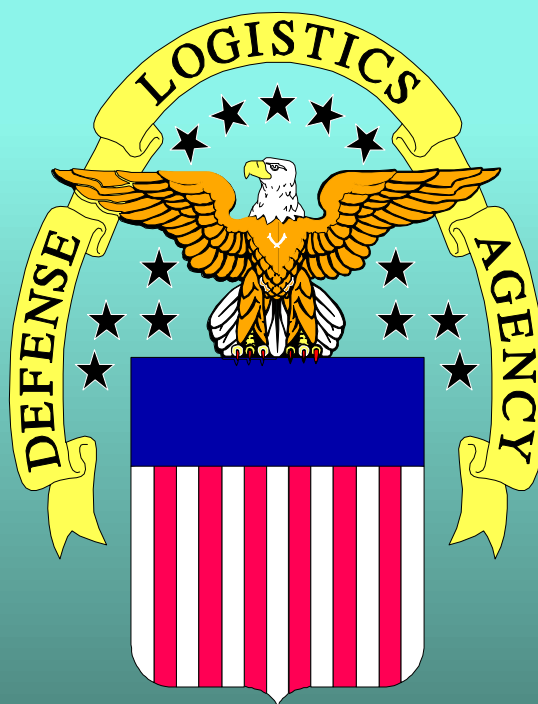
Action Items

Commanders Assessment

DCMC

Monthly Management Review

DCMIDW





Overview



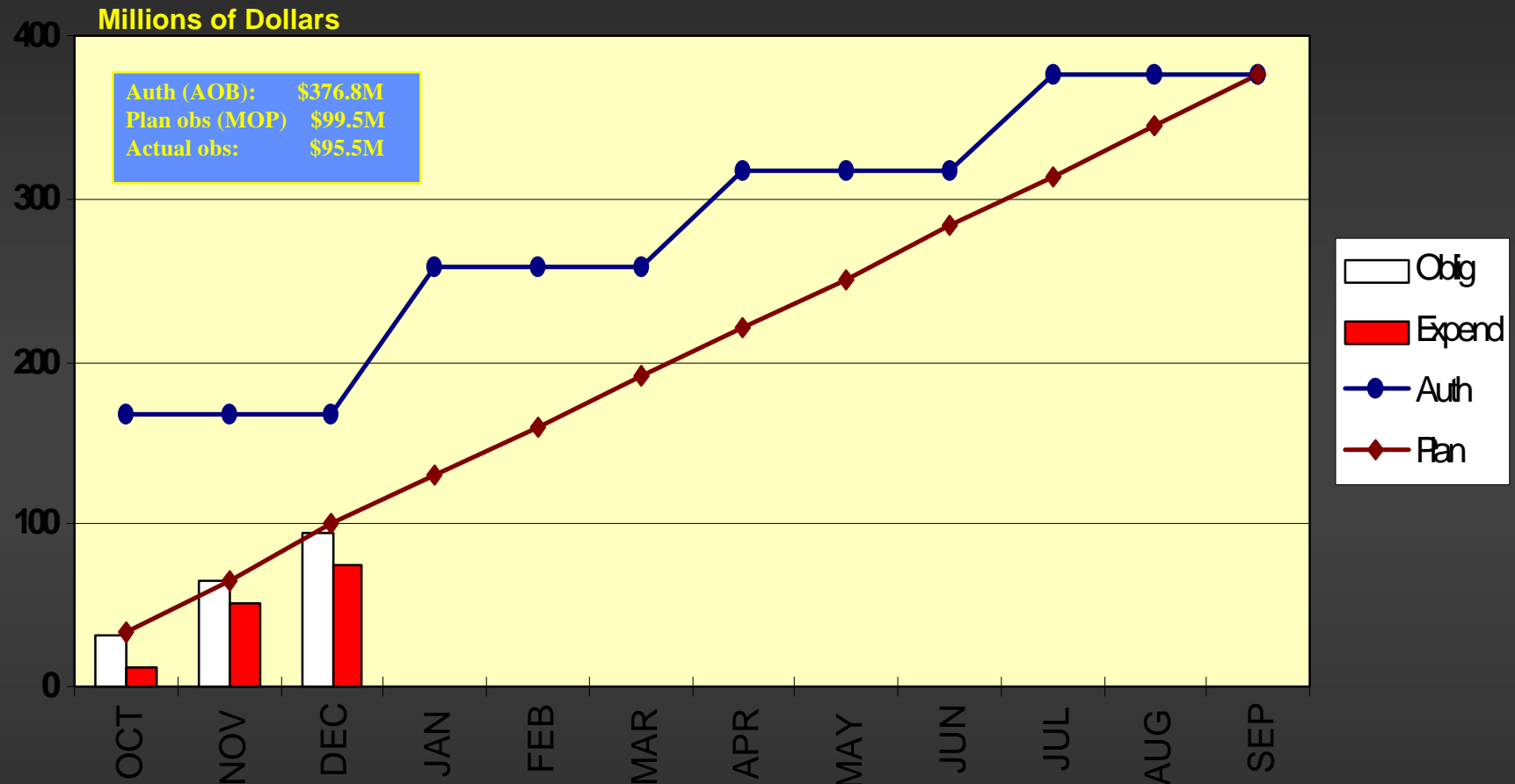
- Resource Management
 - Mission Performance
 - Performance Improvement



Resource Management

Business Performance Metric		West
• Budget Execution		
• Total		Red
• Direct		Red
• Reimbursable		Red
• FTE Execution		
• Total		Yellow

FY97 DCMDW Total Execution



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Auth	167.416	167.416	167.416	257.581	257.581	257.581	317.139	317.139	317.139	376.844	376.844	376.844
Plan	33.02	64.874	99.517	129.667	159.197	190.995	221.124	250.97	283.862	314.165	344.102	376.844
Oblig	32.393	64.962	95.467									
Expend	12.011	51.419	74.949									

Obligations/plan: 95.9%



FY97 Total Budget Execution

STATUS: Red

- Actual obligations under plan by 4%.
- Underexecution in labor due to losses from VERA/VSIP and normal retirement.
 - Aggressive hiring plan is in action.
- Planned FY96 VSIP adjustment in March but DFAS executed in December.
- Non-labor underexecution due to anticipated withdrawal of \$3.422 Million.
- Anticipate total budget execution to be on target at year end.
- Plan to be revised for January MOP submission.

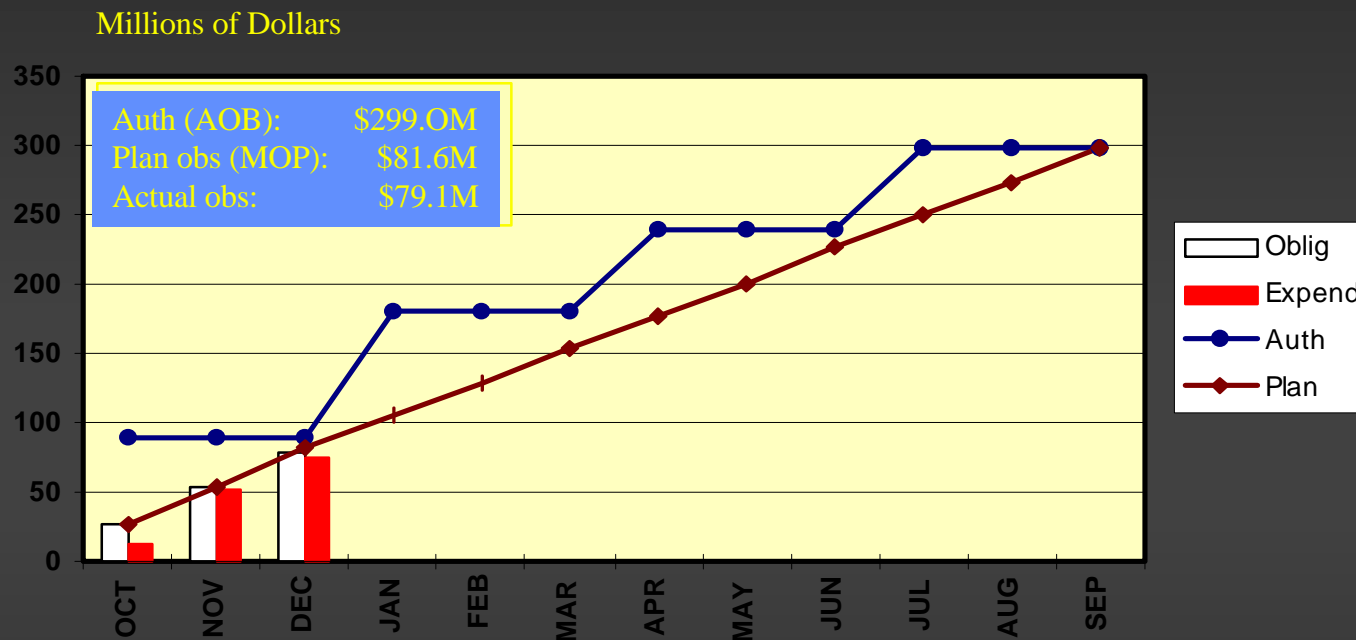


Resource Management

Business Performance Metric		West
• Budget Execution		
• Total		Red
• Direct		Red
• Reimbursable		Red
• FTE Execution		
• Total		Yellow

Performance Topic

FY97 DCMDW Direct Execution



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Auth	89.599	89.599	89.599	179.764	179.764	179.764	239.322	239.322	239.322	299.027	299.027	299.027
Plan	27.673	53.571	81.649	104.778	128.353	153.584	176.439	199.718	226.044	249.476	272.846	299.027
Oblig	27.046	53.577	79.057									
Expend	12.011	51.419	74.949									

Obligations/plan: 96.8%



FY97 Direct Budget Execution

STATUS: Red

- Actual obligations under plan by 3%.
- Underexecution due to:
 - Reimbursable underexecution.
 - VERA/VSIP adjustment.
 - Expected withdrawal of \$3.422 Million.
- Plan to be revised for January MOP submission.



Resource Management

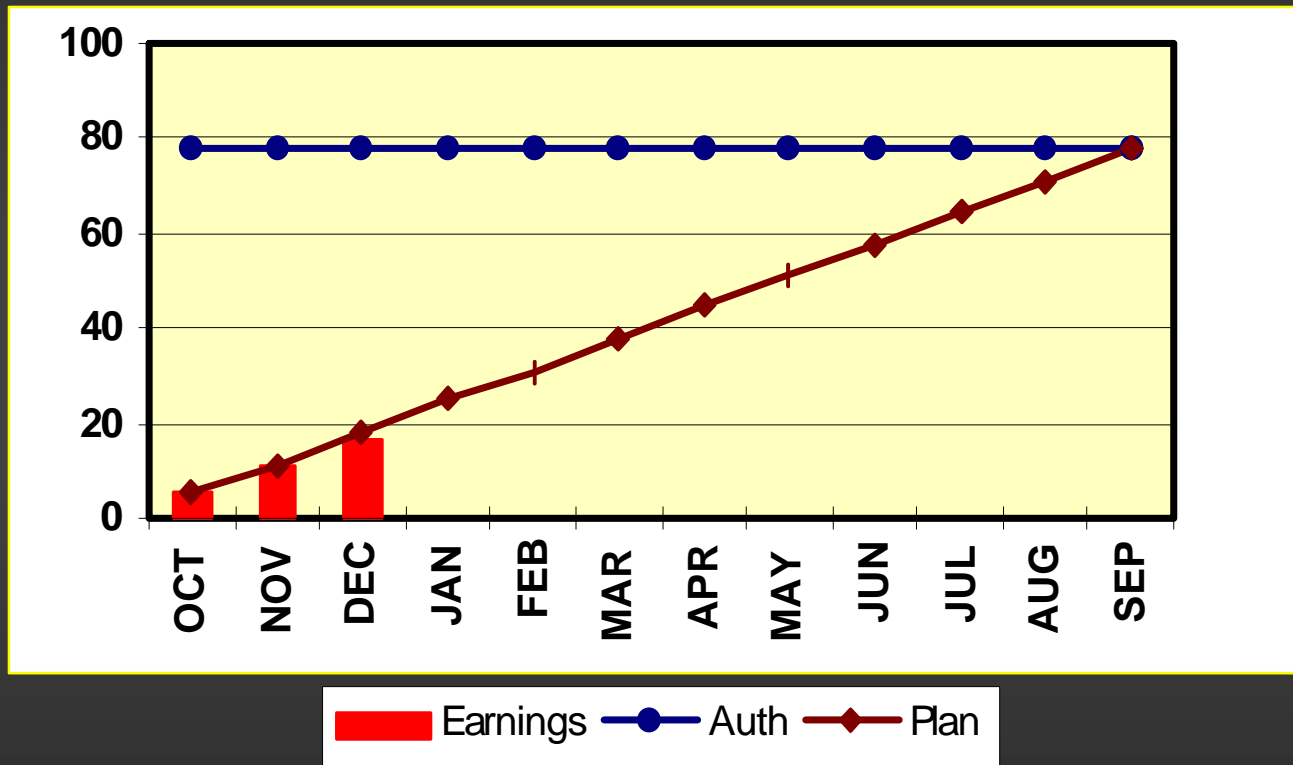
Business Performance Metric	West
• Budget Execution	
• Total	Red
• Direct	Red
• Reimbursable	Red
• FTE Execution	
• Total	Yellow

Performance Topic



FY97 DCMDW Reimbursable Execution

Millions of Dollars



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Auth	77817	77817	77817	77817	77817	77817	77817	77817	77817	77817	77817	77817
Plan	5347	11302	17868	24889	30845	3741	44685	51251	57818	64689	71256	77817
Earnings	5347	11385	1641									



FY97 Reimbursable Budget Execution

STATUS: Red

- Actual obligations through December under plan by 8%
- Earnings recorded were estimates due to missing data reports.
- Actual earnings are now available and actually exceed plan.
- Plan to be revised for January MOP submission.



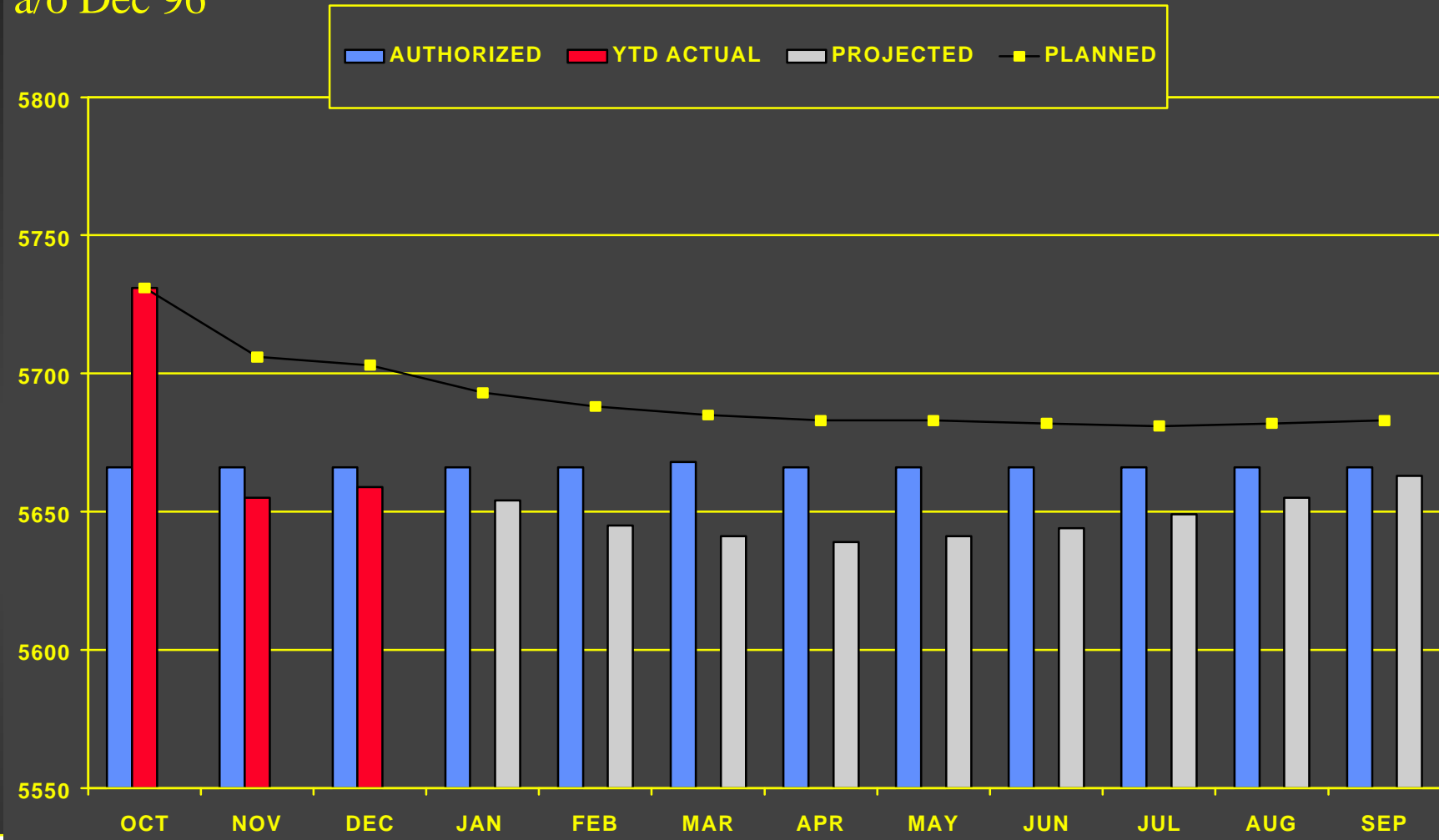
Resource Management

Business Performance Metric	West
• Budget Execution	
• Total	Red
• Direct	Red
• Reimbursable	Red
• FTE Execution	
• Total	Yellow

Performance Topic

DISTRICT FTE STATUS

a/o Dec 96



AUTHORIZ	5666	5666	5666	5666	5666	5668	5666	5666	5666	5666	5666	5666
PLANNED	5731	5706	5703	5693	5688	5685	5683	5683	5682	5681	5682	5683
YTD ACTU	5731	5655	5659									
PROJECTE				5654	5645	5641	5639	5641	5644	5649	5655	5663

under plan by 1%



FY97 FTE EXECUTION

STATUS: Yellow

- Combination of losses due to VERA/VSIP and other retirements resulted in lower than planned FTE execution.
- Plan will be revised to reflect this lower FTE execution.
- An aggressive hiring plan has been initiated which should allow full execution of our FTE goal.
- Currently there are 200+ SF 52s fill actions in house.
- Field activities and PSEs are required to submit monthly FTE plans showing current and projected losses, gains and FTE execution.
- FTE execution is being closely monitored to ensure the goal is reached.



Mission Performance

- Resource Management
- ☒ • Mission Performance
- Performance Improvement



Mission Performance

Special Topic

Performance Metric	West
1. Right Item - Conforming Items (3.7.1.3)	NR
• Design Defects (3.10.1 and 3.10.1.1)	Yellow
• Packaging Discrepancies (3.4.1)	NR
• Adopted Software Recommendations (3.10.1.6)	Yellow
2. Right Time - On Time Contractor Delivery (3.7.1)	NR *
• Customer Priority List (CPL) Coverage (3.7.2)	Green
• Engineering Change Cycle Time (3.10.2.2)	Yellow
• Schedule Slippage's on Major Programs (3.12.2.1)	NR
• Shipping Document Cycle Time (3.5.2)	NR
3. Right Price - Cost Savings and Avoidances (1.4.1)	NR
• ROA on Property from Plant Clearance (4.3.1)	Green
• Negotiation Cycle Time (2.2.2)	NR *
• UCA Definitization (2.2.2.1)	Red
• Forward Pricing Rate Agreement (FPRA) Coverage (2.2.1.1)	Green
• Open Overhead Negotiations (4.4.1)	Red
• Cost Overruns on Major Programs (3.12.1.4)	NR
• \$ Value of Lost/Damaged/Destroyed Government Property (3.2.1)	Green
4. Right Advice - Participation in ASPs and RFP Reviews (1.2.3)	Green
• Repeat Requests for Early CAS (1.2.3.1)	Green



Right Item

Percent Conforming Items

Number of useable lab tested items/number of items tested

STATUS: Not Rated

FY 97 GOAL : 5% improvement

- FY 96 baseline has not been established
- PVP (lab test) was established for inventory readiness - not to determine DCMC surveillance escapes
- Lab test PQDRs
 - PQDRs not always generated
 - Data inconsistently provided
- Advisory Board currently reviewing metric



Mission Performance

Performance Metric	West
1. Right Item - Conforming Items (3.7.1.3)	NR
• Design Defects (3.10.1 and 3.10.1.1)	Yellow
• Packaging Discrepancies (3.4.1)	NR
• Adopted Software Recommendations (3.10.1.6)	Yellow
2. Right Time - On Time Contractor Delivery (3.7.1)	NR *
• Customer Priority List (CPL) Coverage (3.7.2)	Green
• Engineering Change Cycle Time (3.10.2.2)	Yellow
• Schedule Slippage's on Major Programs (3.12.2.1)	NR
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• Negotiation Cycle Time (2.2.2)	NR *
• UCA Definitization (2.2.2.1)	Red
• Forward Pricing Rate Agreement (FPRA) Coverage (2.2.1.1)	Green
• Open Overhead Negotiations (4.4.1)	Red
• Cost Overruns on Major Programs (3.12.1.4)	NR
• \$ Value of Lost/Damaged/Destroyed Government Property (3.2.1)	Green
4. Right Advice - Participation in ASPs and RFP Reviews (1.2.3)	Green
• Repeat Requests for Early CAS (1.2.3.1)	Green

Performance Topic



Right Item

Design Defects Waivers/Deviations

of Major/ Critical Waivers/ Devs.(W/Ds) per 1,000 Kts.

Status: Yellow FY 97 GOAL : 0.52 W/Ds per 1000 Kts

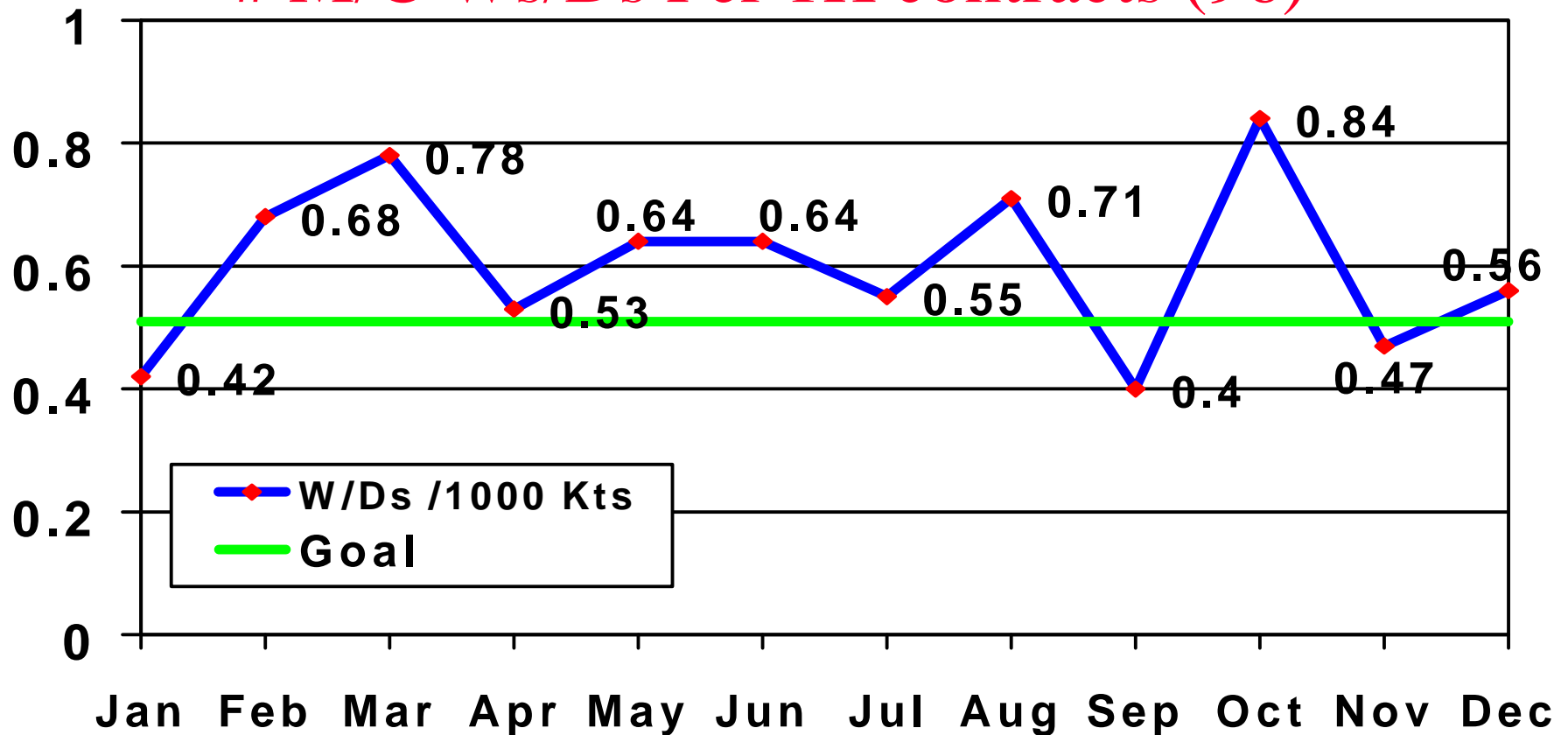
- December Status: 0.56 W/Ds Per 1000 Kts.
- Major Process Driver:
 - DCMC Denver/ Lucas Aerospace .



Right Item

Design Defects (Waivers/Deviations)

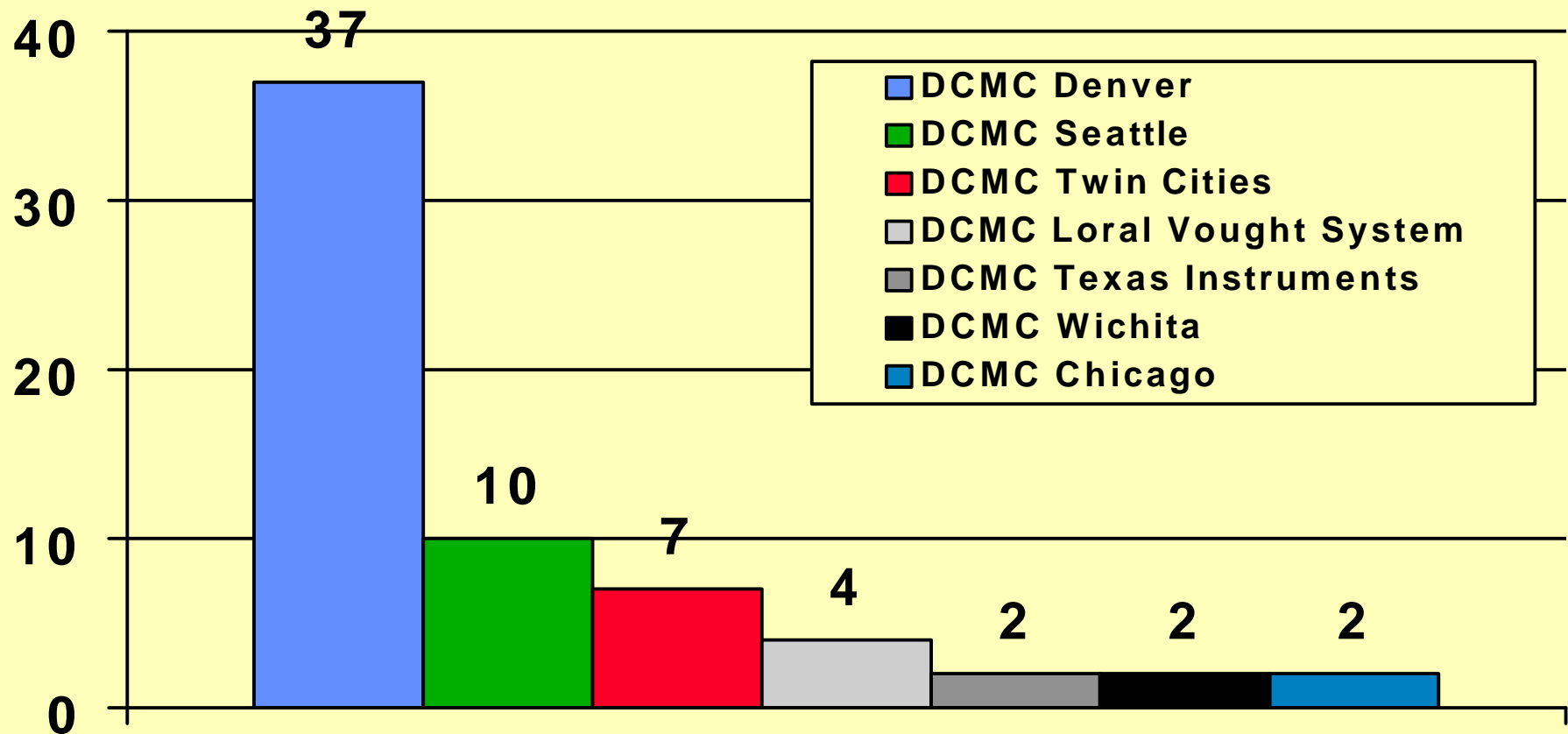
M/C Ws/Ds Per 1K contracts (96)





Right Item

Design Defects (Waivers/Deviations) Dec 96





Right Item

Design Defects Waivers/Deviations

Comments

- DCMC Denver- Lucas Aerospace waivers are submitted as minors but DCMC does not concur with the classification. The subject waivers are accepted by the PCO as minors.
- Corrective Action : The Navy and Lucas are working to redesign the Power Take-off Shaft (PTS) assembly by a class I ECP.
 - DCMC Denver will develop a ‘ Get Well Plan’ and brief the district Commander about the implementation of this plan.
- **Bottom line** :We may stay Yellow until design/ manufacturing problems at Lucas are resolved. The status may change after the scheduled Lucas visit.



Mission Performance

Performance Metric	West
1. Right Item - Conforming Items (3.7.1.3)	NR
• Design Defects (3.10.1 and 3.10.1.1)	Yellow
• Packaging Discrepancies (3.4.1)	NR
• Adopted Software Recommendations (3.10.1.6)	Yellow
2. Right Time - On Time Contractor Delivery (3.7.1)	NR *
• Customer Priority List (CPL) Coverage (3.7.2)	Green
• Engineering Change Cycle Time (3.10.2.2)	Yellow
• Schedule Slippage's on Major Programs (3.12.2.1)	NR
• Shipping Document Cycle Time (3.5.2)	NR
3. Right Price - Cost Savings and Avoidances (1.4.1)	NR
• ROA on Property from Plant Clearance (4.3.1)	Green
• Negotiation Cycle Time (2.2.2)	NR *
• UCA Definitization (2.2.2.1)	Red
• Forward Pricing Rate Agreement (FPRA) Coverage (2.2.1.1)	Green
• Open Overhead Negotiations (4.4.1)	Red
• Cost Overruns on Major Programs (3.12.1.4)	NR
\$ Value of Lost/Damaged/Destroyed Government Property (3.2.1)	Green
4. Right Advice - Participation in ASPs and RFP Reviews (1.2.3)	Green
• Repeat Requests for Early CAS (1.2.3.1)	Green

Performance Topic



Right Item

Surveillance of Software Development

65% of comments prior to Coding of which 30% are accepted

STATUS: YELLOW

FY 97 GOAL : 65% prior to coding, 30% accepted

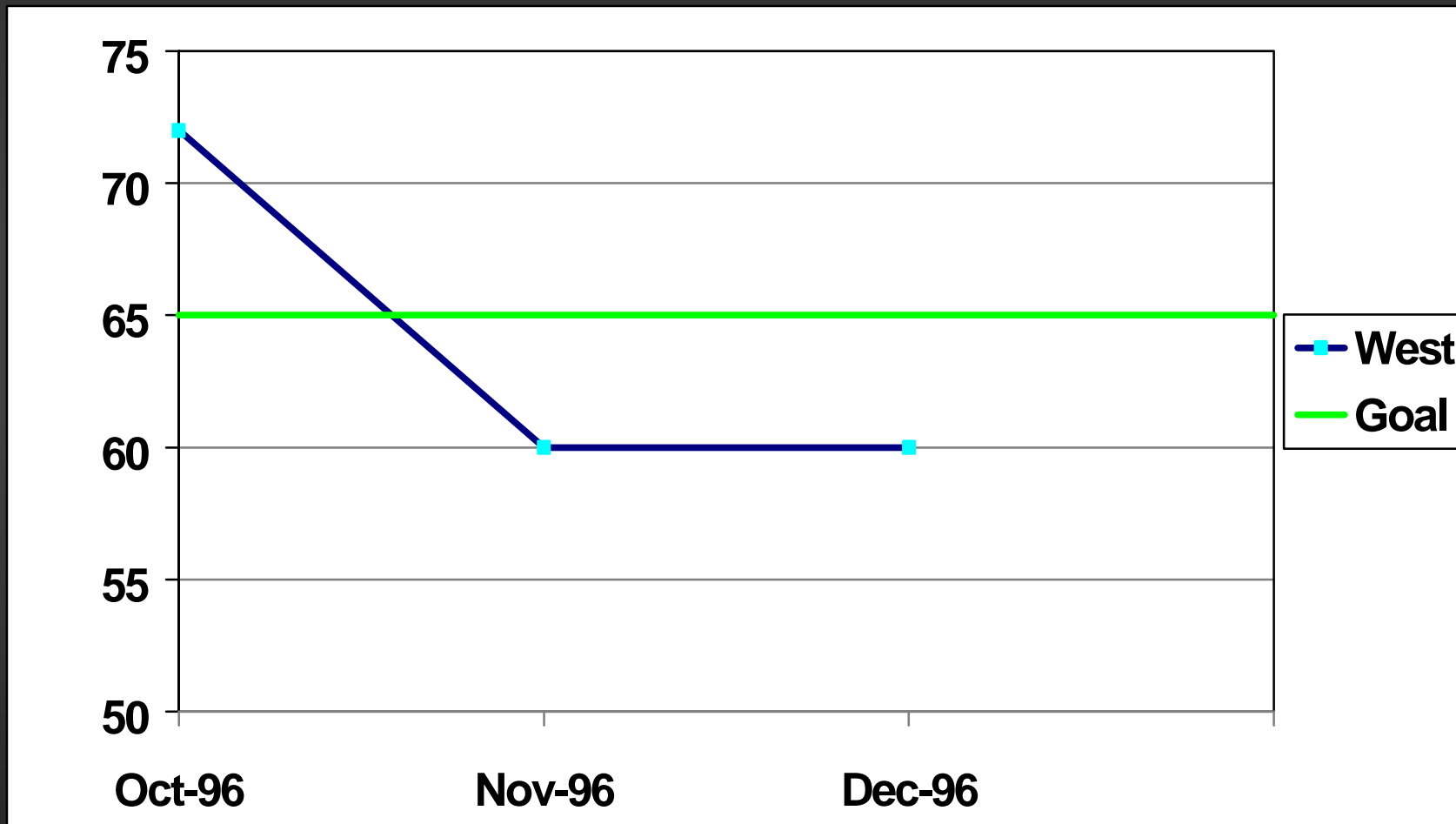
- December: 60% of comments are generated prior to coding.
61% of comments accepted
- Many contracts in base were past coding stage
- Major Contributors:
 - DCMCs Chicago, Wichita, Twin Cities, MD St. Louis, MD Long Beach



Right Item

Surveillance of Software Development

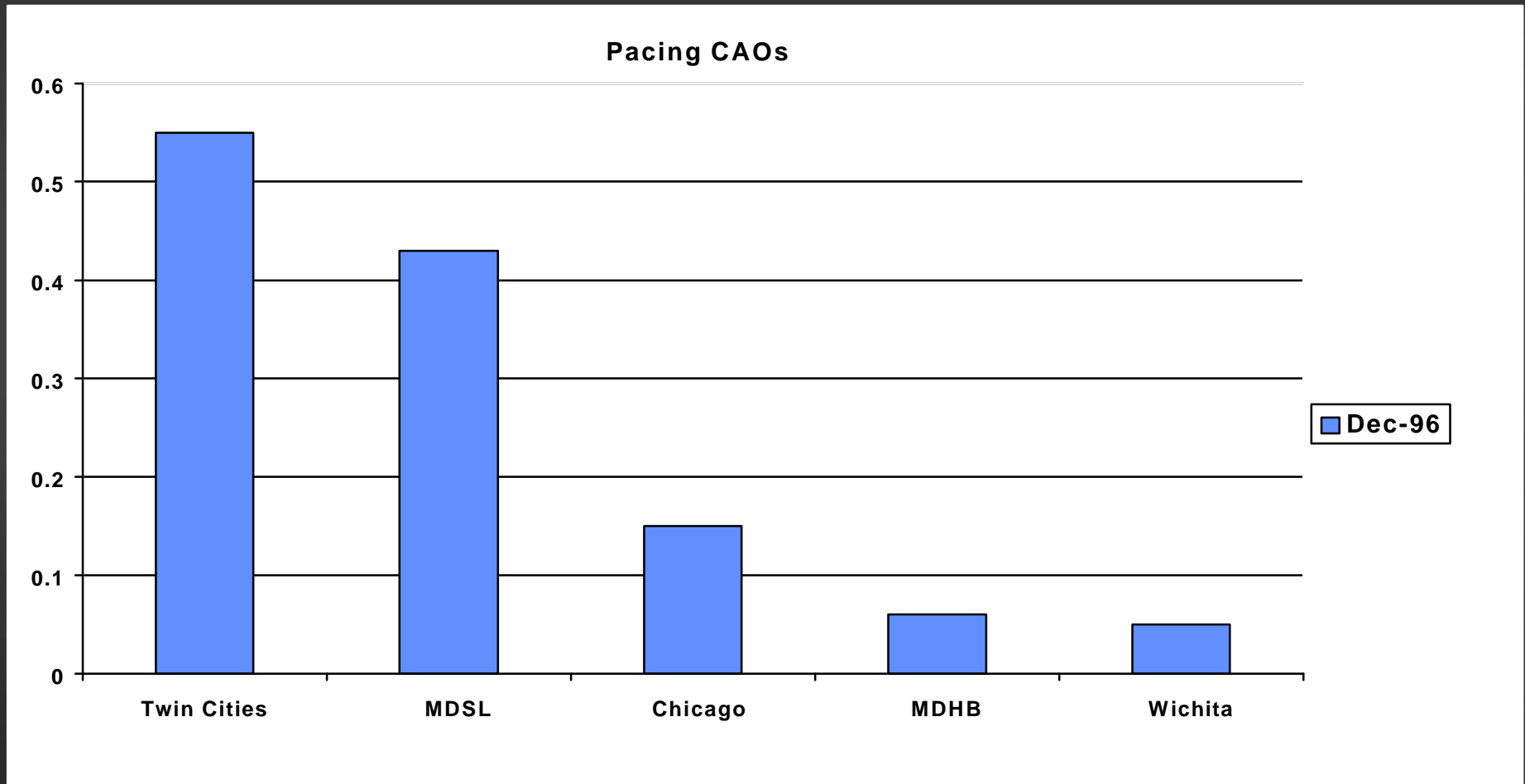
Sixty-five percent of comments prior to Coding





Right Item

Metric: 65% of comments prior to coding
CAOs not meeting goal





Right Item

Surveillance of Software Development

65% of comments prior to Coding of which 30 percent are accepted

- DCMDW is at 60% of comments made prior to coding. The primary reason is because the workload of organizations who failed to meet the goal had the majority of contracts in or beyond coding phase
- DCMC metrics committee is working on the metrics to incorporate in FY98 Plan
- DCMDW will maintain management focus while metric design and database stabilize.



Mission Performance

Performance Metric	West
1. Right Item - Conforming Items (3.7.1.3)	NR
• Design Defects (3.10.1 and 3.10.1.1)	Yellow
• Packaging Discrepancies (3.4.1)	NR
• Adopted Software Recommendations (3.10.1.6)	Yellow
2. Right Time - On Time Contractor Delivery (3.7.1)	NR *
• Customer Priority List (CPL) Coverage (3.7.2)	Green
• Engineering Change Cycle Time (3.10.2.2)	Yellow
• Schedule Slippage's on Major Programs (3.12.2.1)	NR
• Shipping Document Cycle Time (3.5.2)	NR
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• Negotiation Cycle Time (2.2.2)	NR *
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• Forward Pricing Rate Agreement (FPRA) Coverage (2.2.1.1)	Green
• Open Overhead Negotiations (4.4.1)	Red
• Cost Overruns on Major Programs (3.12.1.4)	NR
• \$ Value of Lost/Damaged/Destroyed Government Property (3.2.1)	Green
4. Right Advice - Participation in ASPs and RFP Reviews (1.2.3)	Green
• Repeat Requests for Early CAS (1.2.3.1)	Green





Right Time

Engineering Change Cycle Time

of Actions with CAO disposition Date before PCO disposition Date
divided by Total # of Actions.

STATUS: YELLOW

FY97 GOAL : 100%

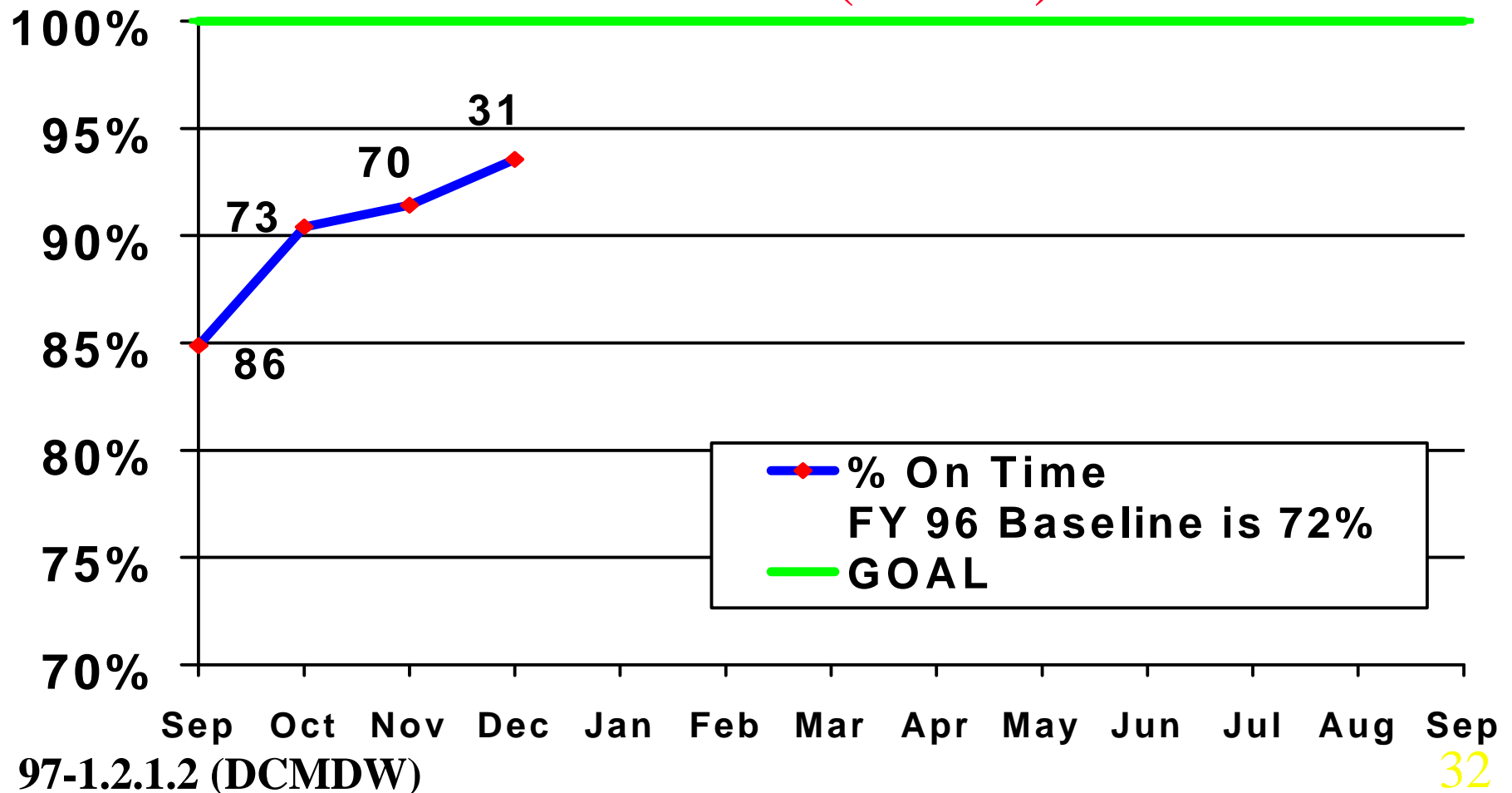
- December: 94%
- Major contributor:
 - ACTS implementation at CAOs.
 - Data Integrity (Primarily PCO Disposition Dates)
- New metric pending: Average cycle time for CAO and PCO actions



Right Time

Class I ECPs, Major/Critical Waivers/Deviations

% On Time (FY 97)

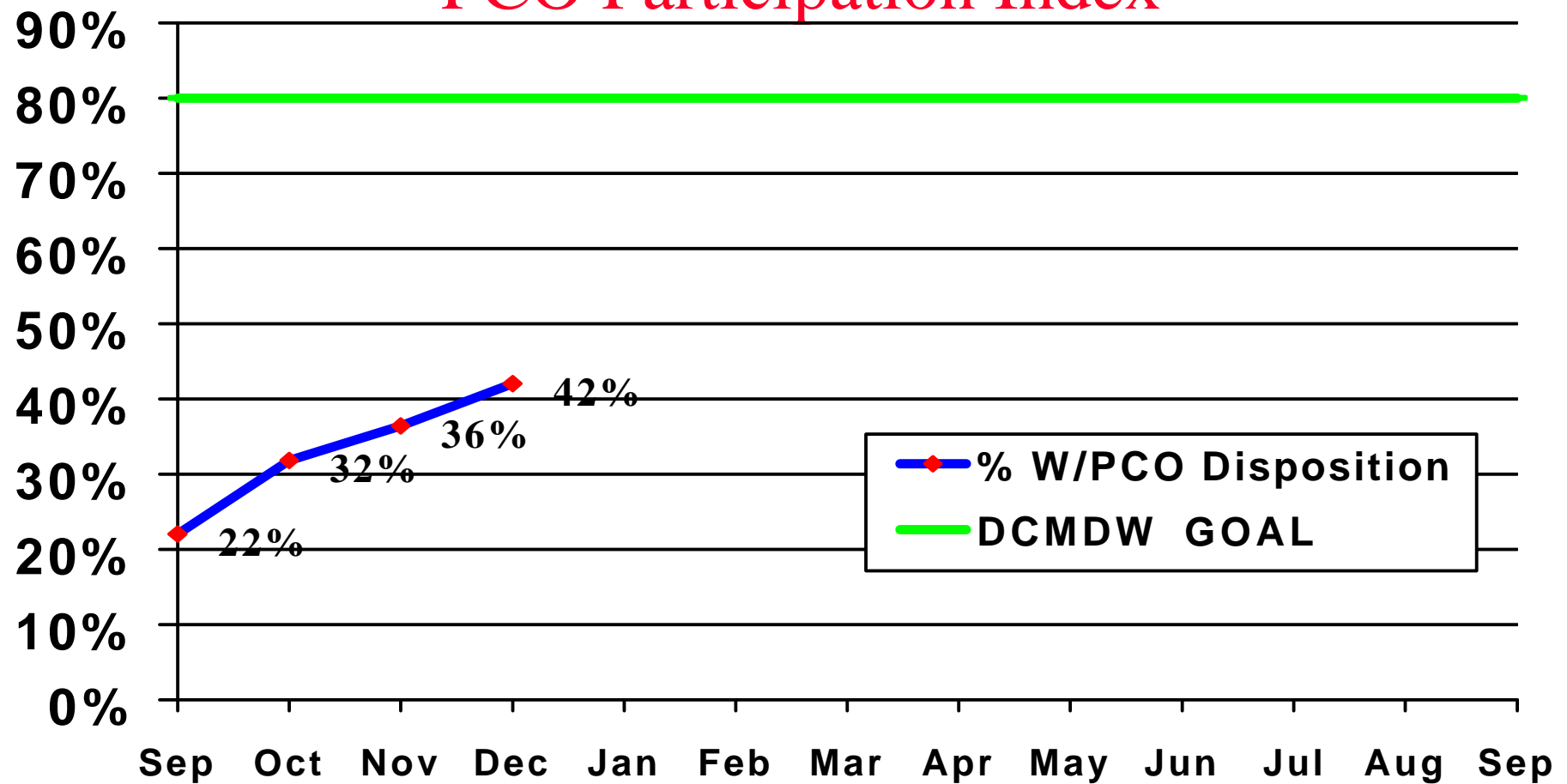




Right Time

% Major Activity with PCO Disposition

PCO Participation Index





Right Time Observations

Pacing CAOs for implementation and data integrity:

- **DCMC Thiokol (0 actions, 0%)**
- **DCMC Rockwell Int., Canoga Pk (1 action, 0%)**
- **DCMC E-Systems (2 actions , 0%)**
- **DCMC San Diego (21 actions, 0%)**
- **DCMC San Francisco (57 actions, 50%)**
- **DCMC Wichita (147 actions, 0%)**



Right Time

Corrective Action Plan

- ACTS Version 3.0 formal training completed as of Nov 96.
- Increase O-directorate staff monitoring ACTS..
- Positive Trend - Continued to work with individual CAOs based on Pareto Analysis - get well Sept 97



Mission Performance

Performance Metric	West
1. Right Item - Conforming Items (3.7.1.3)	NR
• Design Defects (3.10.1 and 3.10.1.1)	Yellow
• Packaging Discrepancies (3.4.1)	NR
• Adopted Software Recommendations (3.10.1.6)	Yellow
2. Right Time - On Time Contractor Delivery (3.7.1)	NR *
• Customer Priority List (CPL) Coverage (3.7.2)	Green
• Engineering Change Cycle Time (3.10.2.2)	Yellow
• Schedule Slippage's on Major Programs (3.12.2.1)	NR
• Shipping Document Cycle Time (3.5.2)	NR
3. Right Price - Cost Savings and Avoidances (1.4.1)	NR
• ROA on Property from Plant C (4.3)	Green
• Negotiation Cycle Time (2.2.2)	NR *
• UCA Definitization (2.2.2.1)	Red
• Forward Pricing Rate Agreement (FPRA) Coverage (2.2.1.1)	Green
• Open Overhead Negotiations (4.4.1)	Red
• Cost Overruns on Major Programs (3.12.1.4)	NR
• \$ Value of Lost/Damaged/Destroyed Government Property (3.2.1)	Green
4. Right Advice - Participation in ASPs and RFP Reviews (1.2.3)	Green
• Repeat Requests for Early CAS (1.2.3.1)	Green

Special Topic

Performance Topic



Right Price

UCA Definitization

UCAs On-Hand > 180 Days / # UCAs On-Hand

STATUS: RED

FY 97 GOAL : 10% Overage

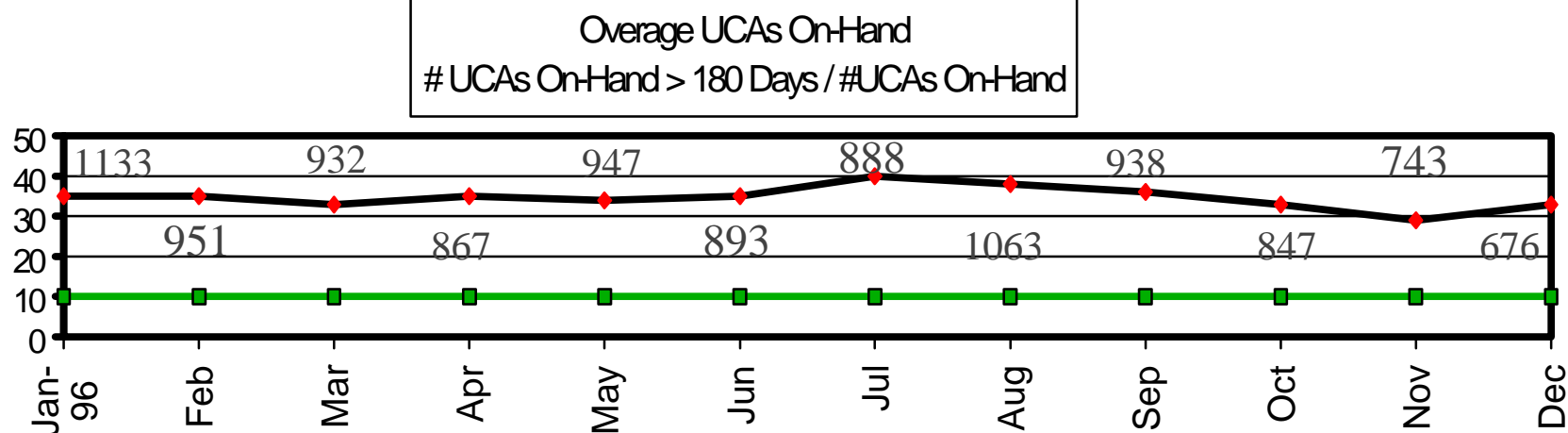
- December 1996 - - 33%
- Major Contributors
 - Northrop Grumman (Hawthorne)
 - Hughes LA
 - MD St. Louis
 - Boeing Seattle
 - MD Long Beach
- Positive trend since Aug 96

(No Corresponding Performance Goal in Plan)

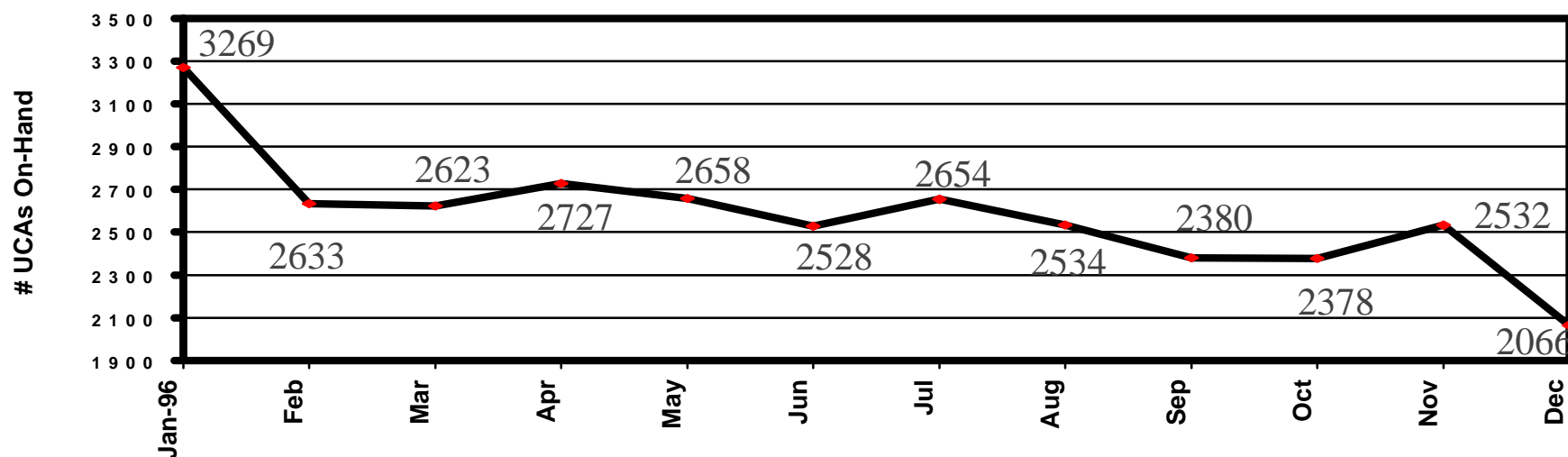


Right Price

% UCAs On-Hand
Overage



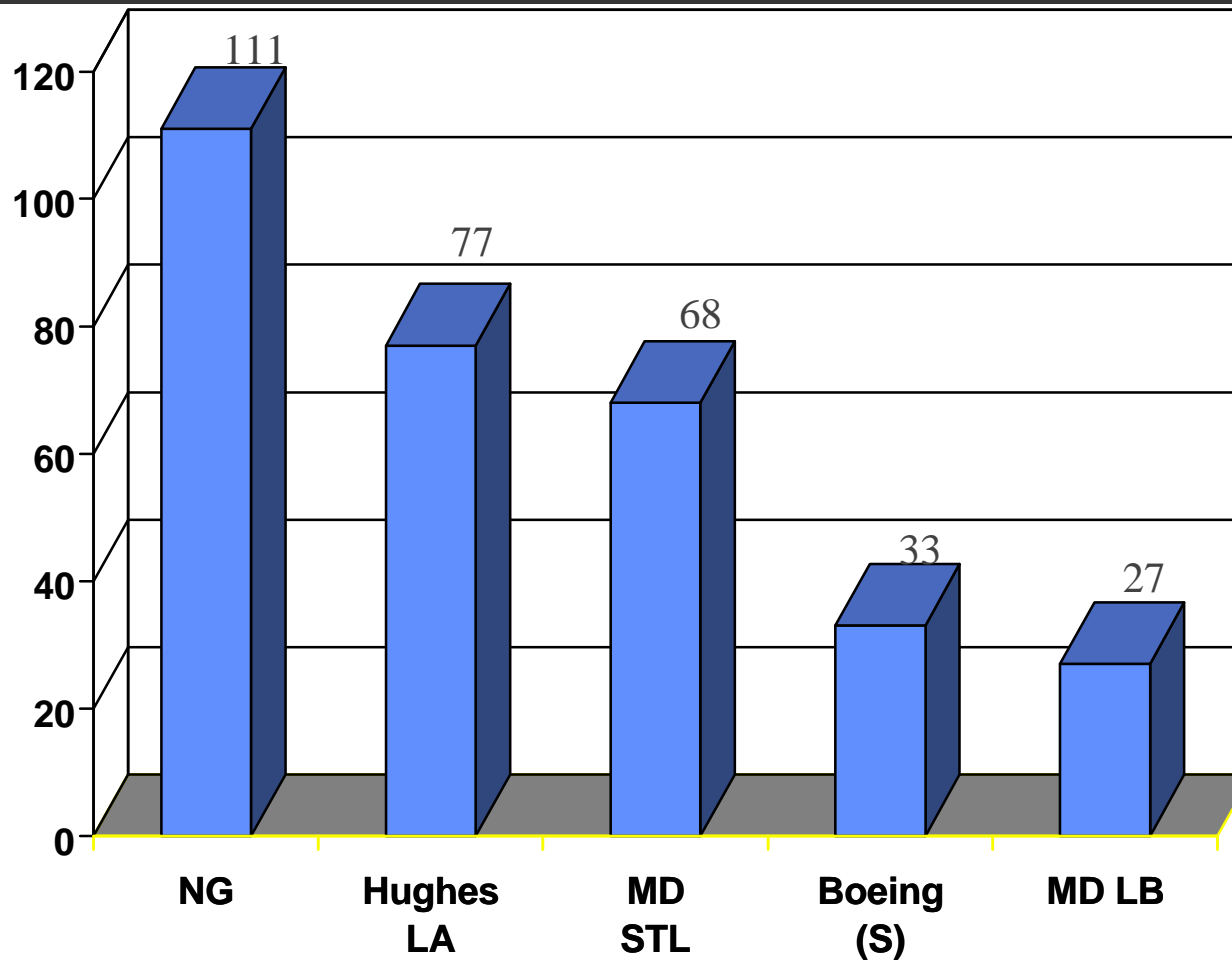
o f U C A s O n - H a n d





Right Price

UCA Definitization



**Pacing
CAOs**



Right Price

UCA Definitization

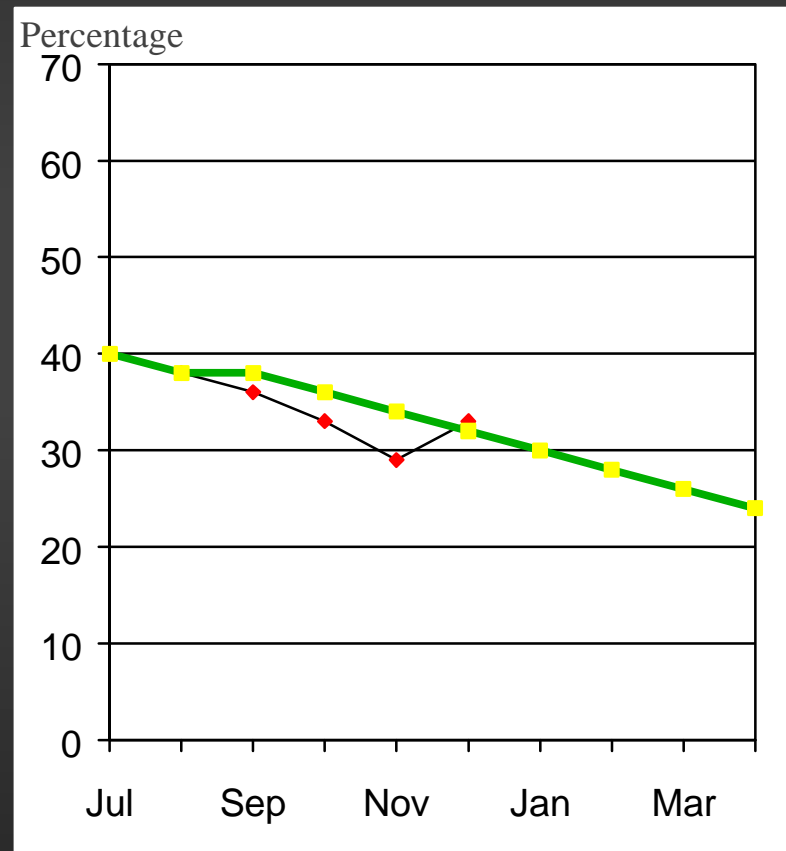
- Overage drivers
 - Late/Inadequate proposals
 - Design Changes
 - Insufficient funding
- CAOs projected get well dates
 - Boeing Seattle & Hughes LA Jul 97
 - MD Long Beach Apr 97
 - MD St. Louis & Northrop Grumman (H) Sep 97



Right Price

UCA Definitization

- BOTTOM LINE
 - Will continue to perform UCA reviews at selected CAOs
 - Expect downward trend of overage UCAs to continue





Mission Performance

Performance Metric	West
1. Right Item - Conforming Items (3.7.1.3)	NR
• Design Defects (3.10.1 and 3.10.1.1)	Yellow
• Packaging Discrepancies (3.4.1)	NR
• Adopted Software Recommendations (3.10.1.6)	Yellow
2. Right Time - On Time Contractor Delivery (3.7.1)	NR *
• Customer Priority List (CPL) Coverage (3.7.2)	Green
• Engineering Change Cycle Time (3.10.2.2)	Yellow
• Schedule Slippage's on Major Programs (3.12.2.1)	NR
• Shipping Document Cycle Time (3.5.2)	NR
3. Right Price - Cost Savings and Avoidances (1.4.1)	NR
• ROA on Property from Plant Clearance (4.3.1)	Green
• Negotiation Cycle Time (2.2.2)	NR *
• UCA Definitization (2.2.2.1)	Red
• Forward Pricing Rate Agreement (FPRA) Coverage (2.2.1.1)	Green
• Open Overhead Negotiations (4.4.1)	Red
• Cost Overruns on Major Programs (3.12.1.4)	NR
• \$ Value of Lost/Damaged/Destroyed Government Property (3.2.1)	Green
4. Right Advice - Participation in ASPs and RFP Reviews (1.2.3)	Green
• Repeat Requests for Early CAS (1.2.3.1)	Green

Special Topic



Right Price

Percent of Contractor Segments Covered by FPRAs

No. of Contractor Segments with FPRAs/Total No. of Contractor Segments

STATUS: Green

FY 97 GOAL : 60% Coverage

- December data: 58%
 - 121 Beneficial Segments
 - 70 FPRAs in place
- Major contributors (Improvement will yield 76% coverage)
 - Hughes L.A.
 - San Francisco
 - San Diego



Right Price

Percent of Contractor Segments Covered by FPRAs

No. of Contractor Segments with FPRAs/Total No. of Contractor Segments





Right Price

Percent of Contractor Segments Covered by FPRAs

- Boeing/Rockwell acquisition contributed to trend dip.
- 35 FPRRs established (29% coverage)
 - Combined FPRA/FPRR coverage is 88%
- CAOs w/o FPRAs receive close monitoring
- CAOs w/o FPRAs have CAPs & “get well” dates
- We have good management control and will meet the 60% goal



Mission Performance

Performance Metric	West
1. Right Item - Conforming Items (3.7.1.3)	NR
• Design Defects (3.10.1 and 3.10.1.1)	Yellow
• Packaging Discrepancies (3.4.1)	NR
• Adopted Software Recommendations (3.10.1.6)	Yellow
2. Right Time - On Time Contractor Delivery (3.7.1)	NR *
• Customer Priority List (CPL) Coverage (3.7.2)	Green
• Engineering Change Cycle Time (3.10.2.2)	Yellow
• Schedule Slippage's on Major Programs (3.12.2.1)	NR
• Shipping Document Cycle Time (3.5.2)	NR
3. Right Price - Cost Savings and Avoidances (1.4.1)	NR
• ROA on Property from Plant Clearance (4.3.1)	Green
• Negotiation Cycle Time (2.2.2)	NR *
• UCA Definitization (2.2.2.1)	Red
• Forward Pricing Rate Agreement (FPA) (2.2.2.1)	Green
• Open Overhead Negotiations (4.4.1)	Red
• Cost Overruns on Major Programs (3.12.1.4)	NR
\$ Value of Lost/Damaged/Destroyed Government Property (3.2.1)	Green
4. Right Advice - Participation in ASPs and RFP Reviews (1.2.3)	Green
• Repeat Requests for Early CAS (1.2.3.1)	Green

Special Topic

Performance Topic



Right Price

Open Overhead Negotiations

Number of Open Overhead Negotiations

STATUS: RED

FY 97 GOAL : Two Open Years or Less

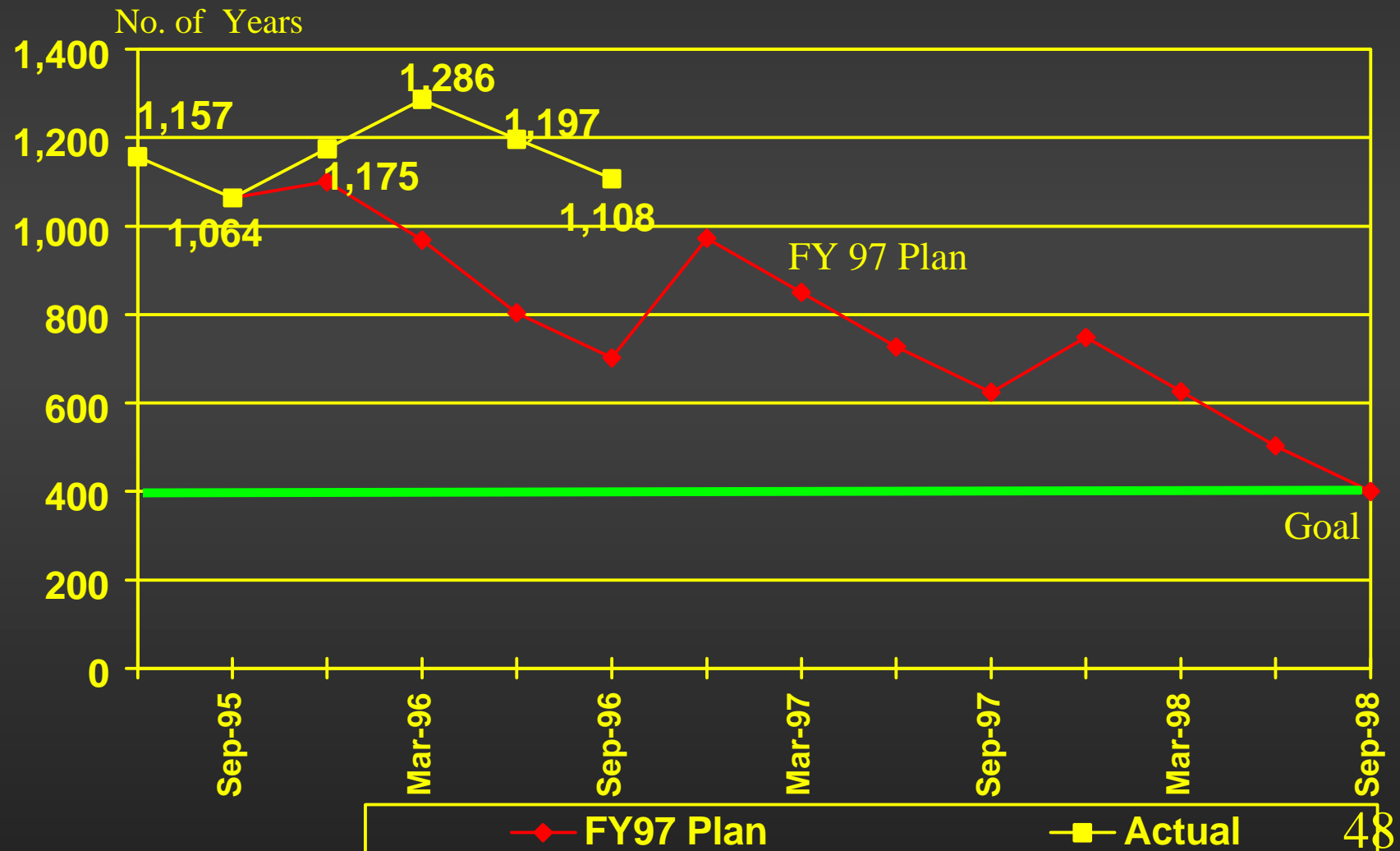
- DCMDW Open Backlog
 - 815 Open Over Two Years Old
 - 417 Years ACO “In Negotiation” Prioritized
 - 1,108 Open Overhead Years as of 30 Sep 96
- Major Contributors “In Negotiations”
 - DCMC Van Nuys, DCMC San Francisco, DCMC Boeing Seattle
- Root Causes
 - Corporate Allocations
 - Company Restructuring, and Mergers
 - Delays in Proposal Submittals to Avoid Potential Double Penalties



Right Price

Number of Open Overhead Negotiations

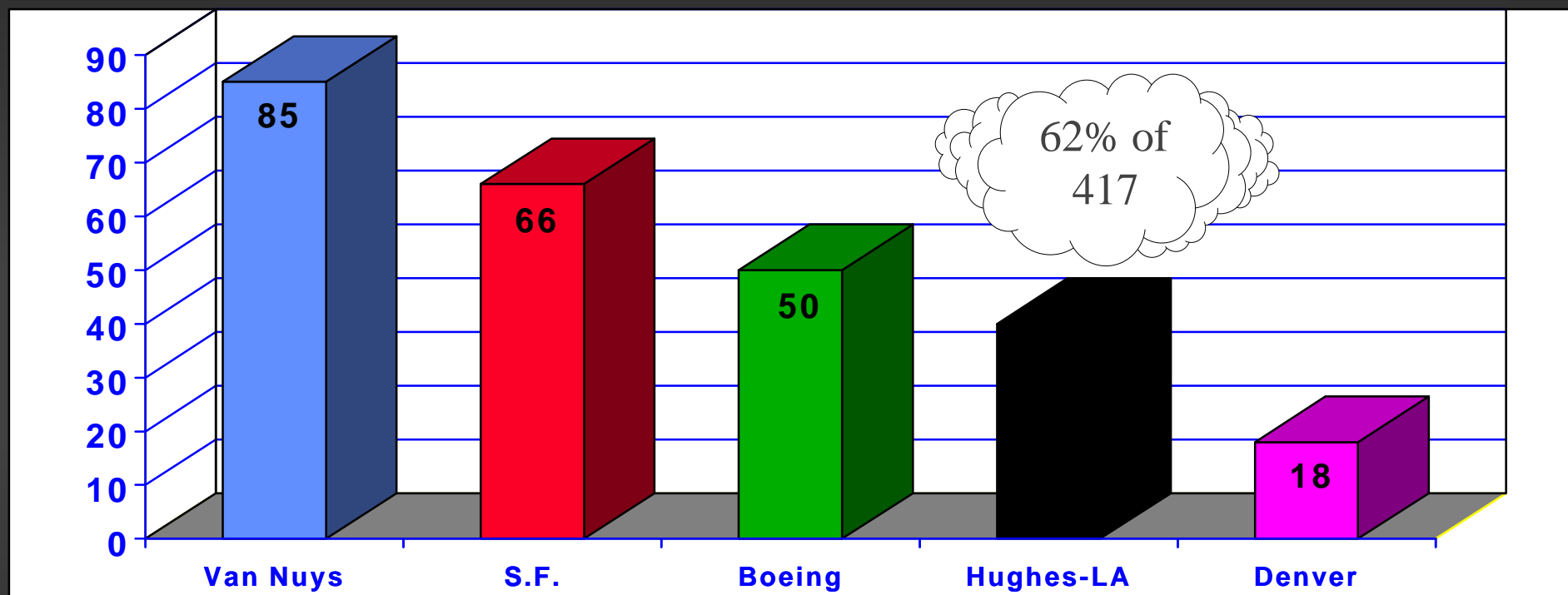
DCMDW Settlement Plan





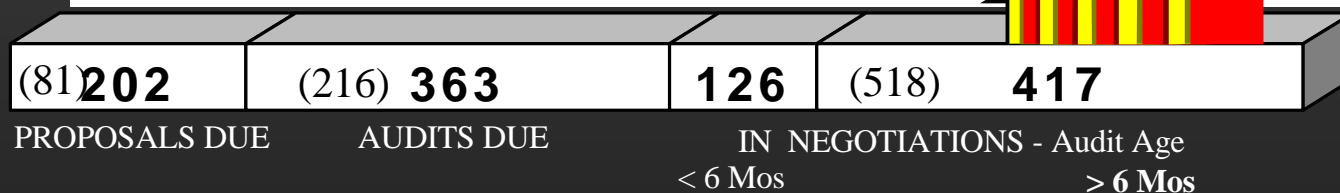
Right Price

Number of Open Overhead Negotiations PACING CAOs for "In Negotiations"



"DCMDW OPEN = 1,108 (815 > 2 yrs) " **Process Emphasis**

Data: as of 30 Sep 96
Source: DD1558 Report





Right Price

Number of Open Overhead Negotiations

- Comments
 - Progress being made at all CAOs hearing of closings
 - Pacing CAO visits started (DCMC-OHC/DCMDW team)
 - DCMC Van Nuys (done 22 Jan 97)
 - DCMC San Francisco (25-27 Feb 97)
 - DCMC Denver (25-27 Mar 97 & Others)
 - Thirteen of Thirty CAOs at or better than Goal
- Bottom Line
 - DCMC and DCMDW Performance Plans forecast achieving the 2 year average or better Goal on September 30, 1998



Mission Performance

Performance Metric	West
• % Contractors on Contractor Alert List (CAL) (2.1.1.2)	NR
• Single Process Implementation (1.2.4)	Green
• Preaward Survey Timeliness (2.1.2)	Green
• Amount of DoD Property (3.2.1.1)	NR
• Excess Property (3.2.1.2)	Green
• Delay Forecast Coverage (3.7.1.1)	NR *
• Delay Forecast Timeliness (3.7.2.1)	NR *
• Delay Forecast Accuracy (3.7.1.2)	NR *
5. Right Reception - Customer Satisfaction (3.11.1.1)	Green
• Service Standards (1.3.1)	NR
• Trailer Cards (3.11.1.2)	Green
6. Right Efficiency - Contracts per FTE (1.1.8)	NR
• Contract Closeout (4.2.2.2)	Green
• Canceling Funds (TBD)	NR
• Termination Actions (4.1.2)	NR
7. Right Talent - Training Hours (1.8.1)	Green
• DAWIA Certification (1.8.1.2)	Green
• Course Completion (1.8.1.1)	Green
• Training Quota Usage (1.8.1.3)	Green

Special Topic



Right Talent

Training Quota Usage

Percent Course Quotas Completed

STATUS: Green FY 97 GOAL : 95% Course Quotas Completed

- Final FY96 accumulative average was 91%
- For First Quarter FY97 achieved a 97% completion rate



Right Talent

Training Quota Usage

Percent Course Quotas Completed

DAU QUOTAS FIRST QUARTER FY 97

QUOTAS	RESV	NO SHOWS	GRADS	% USED
144	186	15	140	97

- **Quotas = Number of quotas allocated by DAU/DLA**
- **Reservations = Number of quotas reserved by the PLFA**
- **No Shows = Number of originally scheduled students who did not attend class (70% substitutes)**
- **Grads = Number of students who graduated from the course**
- **% Used = Number of students who graduated divided by the number of quotas allocated**



Right Talent

Training Quota Usage

Percent Course Quotas Completed

- Management Focus
 - Substitution - Letter from Training Coordinator
 - Cancellation - Letter from CAO Commander
- Increased emphasis on using reservations



Performance Improvement

- Resource Management
- Mission Performance
- ☒ Performance Improvement
 - Green except those items briefed previously



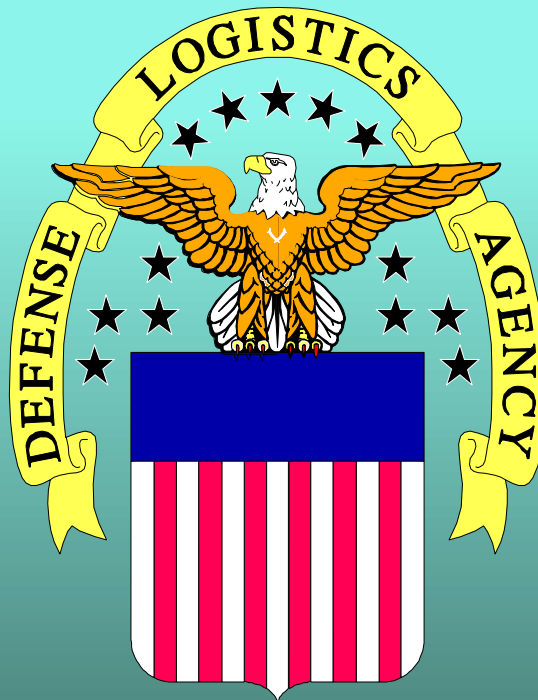
Commander's Assessment

- SPI - Marketing Approach
- Performance Focus is Excellent
 - Performance Management Culture
 - Performance Management Tools
 - Command Operations Briefs
 - Performance Management Tracking System
 - IOA
- DLA Regionalization

DCMC

Monthly Management Review

DCMDI





DCMDI Resource Management

Business Performance Metric

Int'l

1. Budget Execution

A. Total

Red

B. Direct

Red

C. Reimbursable

Red

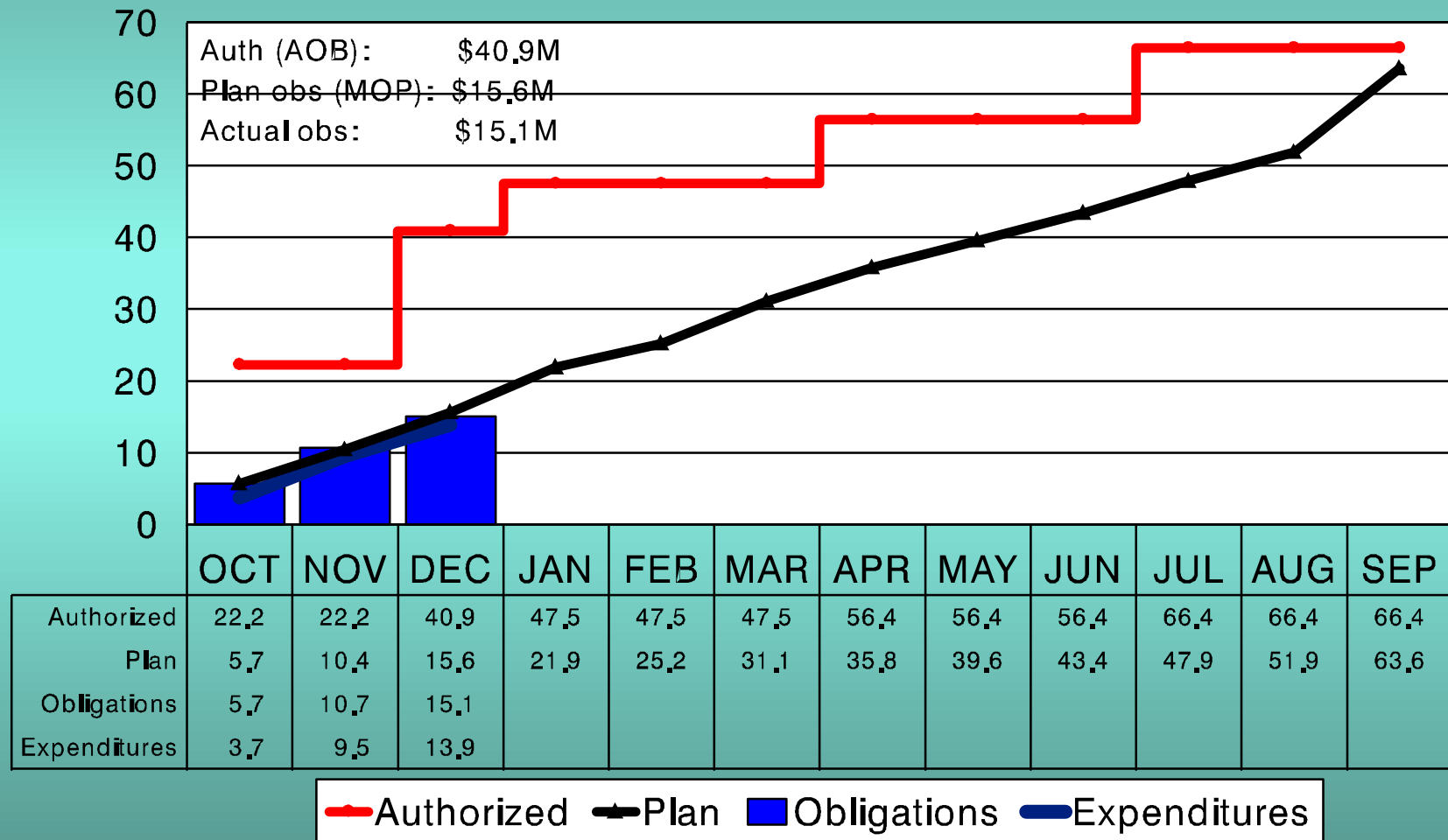
2. Personnel

A. Full Time Equivalent Execution

Red

DCMDI Resource Management FY 97 Total Execution

Millions of dollars



Obligations/plan 96%

NOTE: Obligation data includes the Assessment Center



DCMDI Resource Management

FY 97 Total Execution

Status: **RED**

Comments: (as of 31 Dec 96)

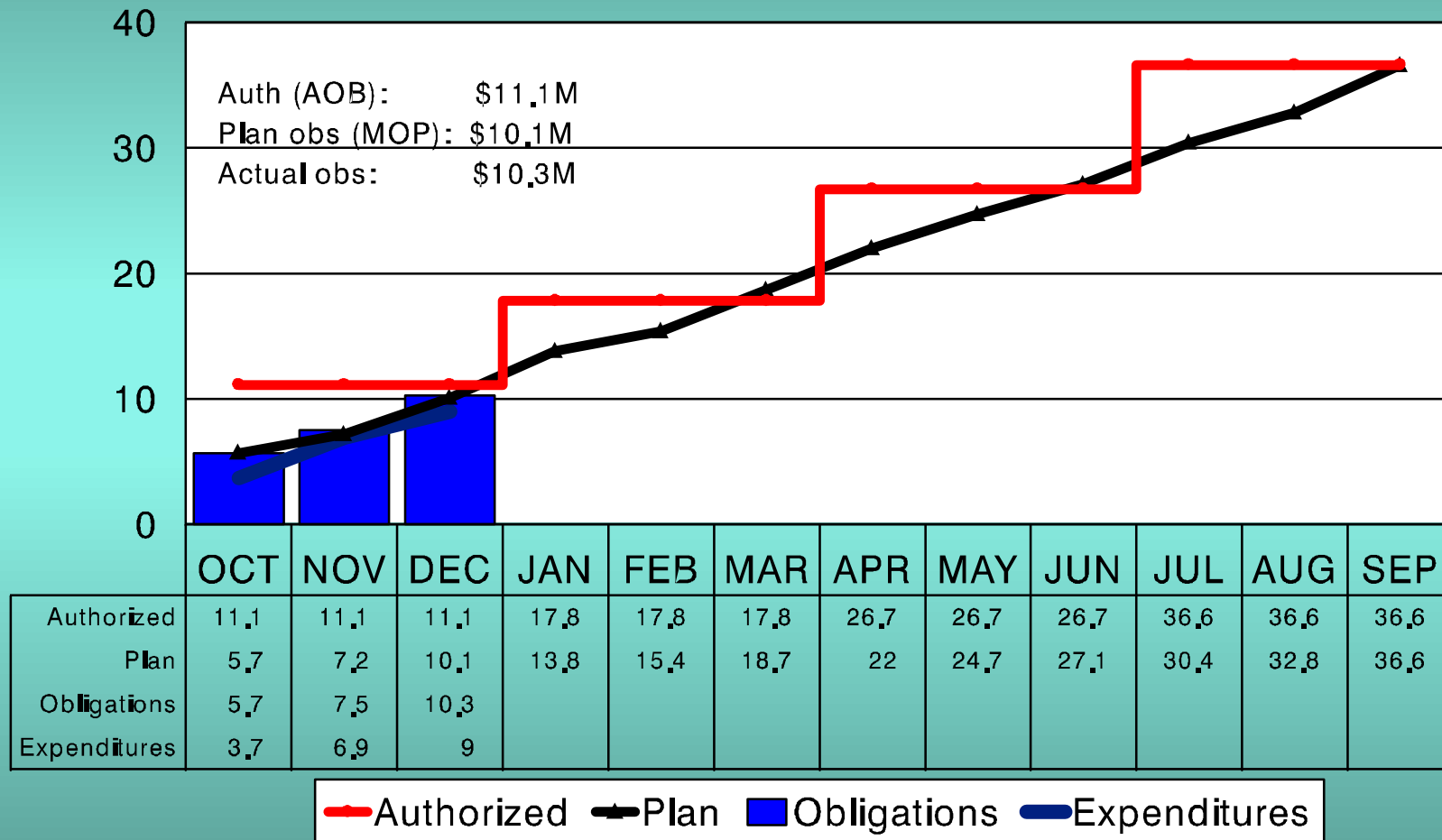
Increase in Dec authority was due to receipt of full year reimbursable AOB

Several CAOs underexecuted in Dec (i.e. Turkey office move delayed and Christchurch communications bill was not received)

Actions taken: Costs are expected in 2nd quarter. No action necessary.

DCMDI Resource Management FY 97 Direct Execution

Millions of dollars



Obligations/Plan: 102%

NOTE: Obligation data includes the Assessment Center



DCMDI Resource Management

FY 97 Direct Execution

Status: **RED**

Comments: (as of 31 Dec 96)

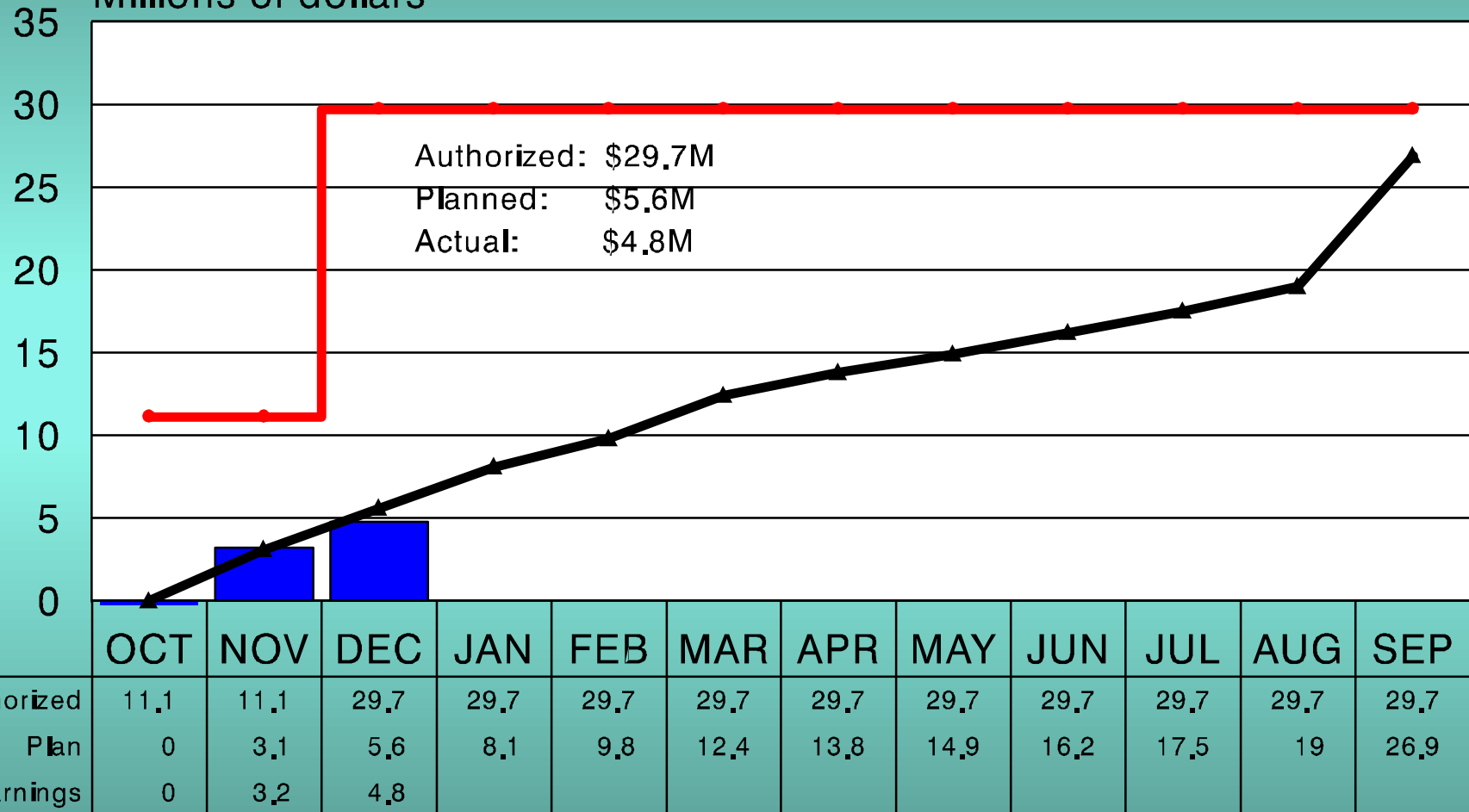
An over obligation appears in the December data due to the transfer of the Assessment Center to DCMDI which was not included in our plan.

Actions taken:

A meeting is scheduled for 21 Feb to establish the Assessment Center Plan.

DCMDI Resource Management FY 97 Reimbursable Execution

Millions of dollars



— Authorized ▲ Plan ■ Earnings

Earnings/Plan: 86%



DCMDI Resource Management

FY 97 Reimbursable Execution

Status: **RED**

Comments: (as of 31 Dec 96)

Full year funding provided by FO at end of Dec 96.

The low percentage between Earnings/Plan was caused by an inaccurate estimate by our intern reimbursable budget analyst.

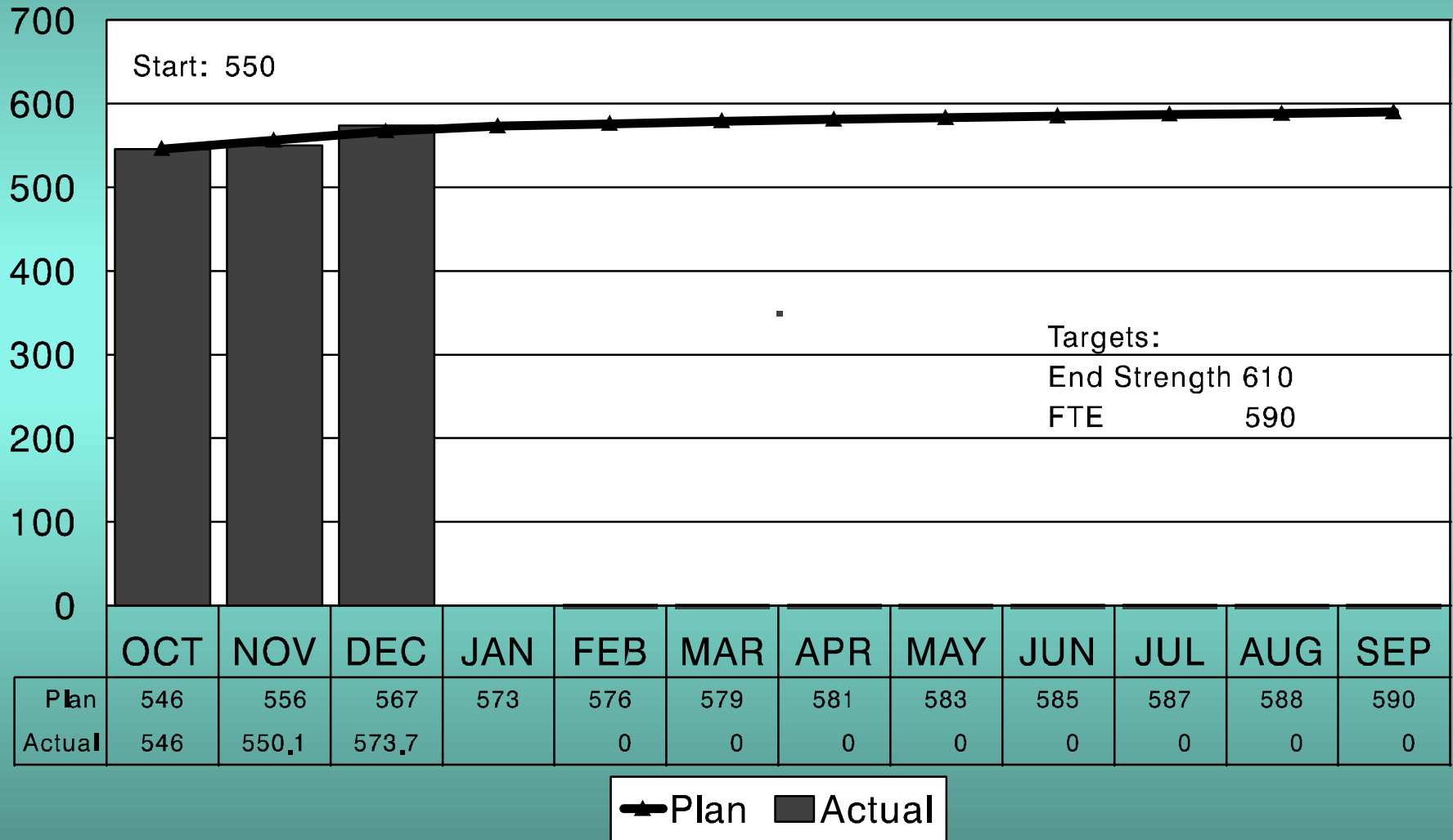
Actions taken:

Teaming/training with DASC-F resulted in more realistic earnings estimates (\$7M out of \$7.2M)

.

DCMDI Resource Management

FY 97 FTE Execution



Actual/Plan: 97%



DCMDI Resource Management

FTE Execution

Status: **RED**

Comments: (as of 31 Dec 96)

DCMDI was 18 short of the planned onboard goal of 590 for Dec
(this is 2 down from last month due to Holidays)

Actions taken:

Initiated aggressive hiring processes to fill vacancies (9 selections made with report dates in Jan/Feb)

Created short term positions to bridge gaps and hiring lag times

Hire additional number of employees, peaking at mid-year, to achieve desired “burn rate”.



DCMDI Resource Management

FTE Execution

Status: **RED**

Comments: (Continued)

- o DCMDI initial 582 FTEs for FY97 revised in Nov to 590 (582 minus 22 FMS in Saudi, plus 30 Direct for the Assessment Center)
- o As of 31 Dec 96, DCMDI executed 573 FTEs
- o Onboard rate based on DCMDI planned targets:

<u>Planned</u>		<u>On-Board</u>	<u>Under</u>
451	Direct	447	(4)
<u>139</u>	Reimbursable	<u>125</u>	<u>(14)</u>
590	Total	572	(18)

- o District under executed by 18 onboard employees in Dec. which is .9 % (or 4) of the Direct total and 10 % (or 14) of the Reimbursable total (caused by Saudi Safe Haven and Kuwait ramp-up).



DCMDI Mission Performance

Performance Metric	DCMC	East	West	Int'l
1. Right Item - Conforming Items (3.7.1.3)				NR
• Design Defects (3.10.1 and 3.10.1.1)				Green
• Packaging Discrepancies (3.4.1) (begin 4Q 97)				NR
• Adopted Software Recommendations (3.10.1.6)				Green
2. Right Time - On Time Contractor Delivery (3.7.1)				NR
• Customer Priority List (CPL) Coverage (3.7.2)				Green
• Engineering Change Cycle Time (3.10.2.2)				Green
• Schedule Slippage's on Major Programs (3.12.2.1) (begin Jun 97)				NR
• Shipping Document Cycle Time (3.5.2) (begin 2Q97)				NR
3. Right Price - Cost Savings & Avoidances (1.4.1)				NR
• ROA on Property from Plant Clearance (4.3.1)				Green
• Negotiation Cycle Time (2.2.2)				Yellow *
• UCA Definitization (2.2.2.1)				Yellow
• Forward Pricing Rate Agreement (FPRA) Coverage (2.2.1.1)				Green
• Open Overhead Negotiations (4.4.1)				Green
• Cost Overruns on Major Programs (3.12.1.4) (begin Jun 97)				NR
• \$ Value of Lost/Damaged/Destroyed Government Property (3.2.1)				Green
4. Right Advice - Participation in ASPs and RFP Reviews (1.2.3)				Green
• Repeat Requests for Early CAS (1.2.3.1)				Green

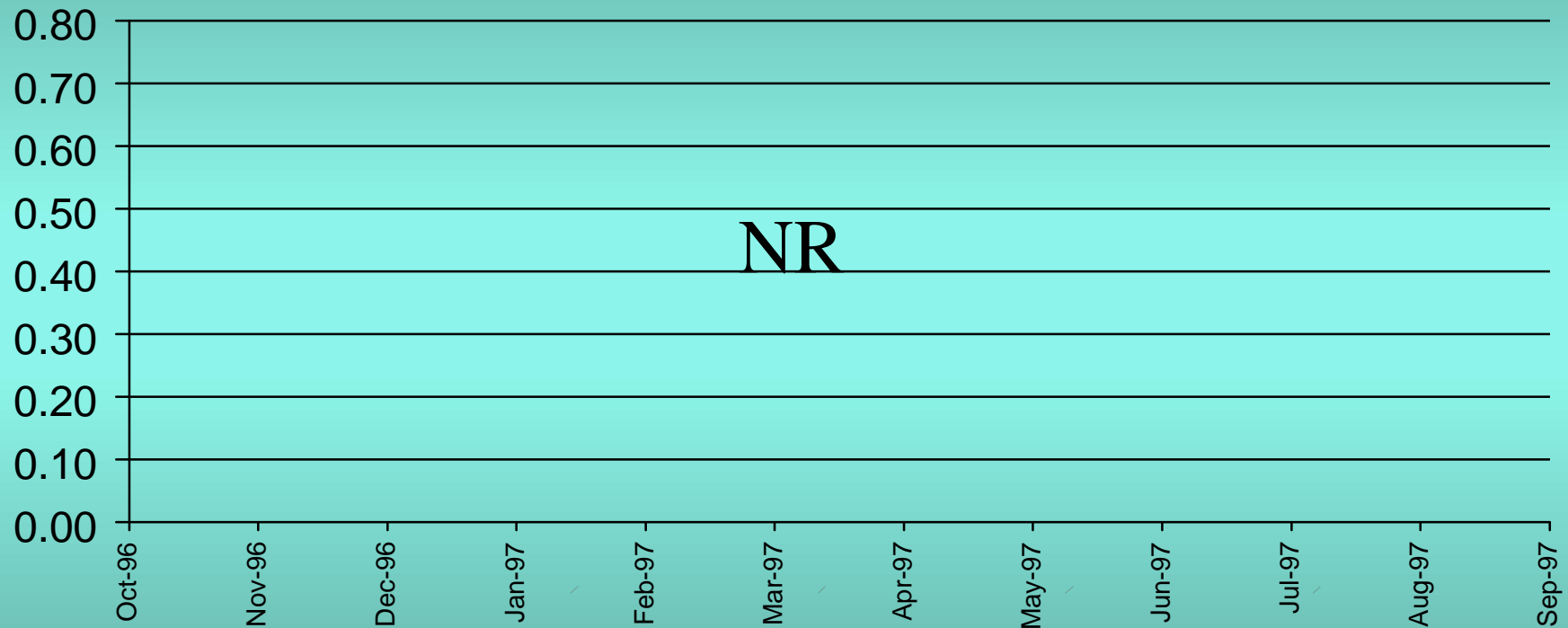


DCMDI Mission Performance (Con't)

Performance Metric	DCMC	East	West	Int'l
• % Contractors on Contractor Alert List (CAL) (2.1.1.2) (begin 3Q97)				NR
• Single Process Implementation (2.1.2)				Green
• Preaward Survey Timeliness (2.1.2)				Green
• Amount of DoD Property (3.2.1.1)				NR
• Excess Property (3.2.1.2)				Green
• Delay Forecast Coverage (3.7.1.1)				NR
• Delay Forecast Timeliness (3.7.2.1)				NR
• Delay Forecast Accuracy (3.7.1.2)				NR
5. Right Reception - Customer Satisfaction (3.11.1.1)				Green
• Service Standards (1.3.1) (begin 2Q97)				NR
• Trailer Cards (3.11.1.2)				Green
6. Right Efficiency - Contracts per FTE (1.1.8)				NR
• Contract Closeout (4.2.2.2)				Green
• Canceling Funds (TBD) (begin Mar 97)				NR
• Termination Actions (4.1.2) (begin Mar 97)				NR
7. Right Talent - Training Hours (1.8.1)				Green
• DAWIA Certification (1.8.1.2)				Green
• Course Completion (1.8.1.1)				Green
• Training Quota Usage (1.8.1.3)				Green

DCMDI

Right Item Conforming Items



Business Plan Reference: 1.2.1.1

DCMDI

Right Item

Conforming Items

This data is being collected by DCMC. No action for Districts or CAOs at this time

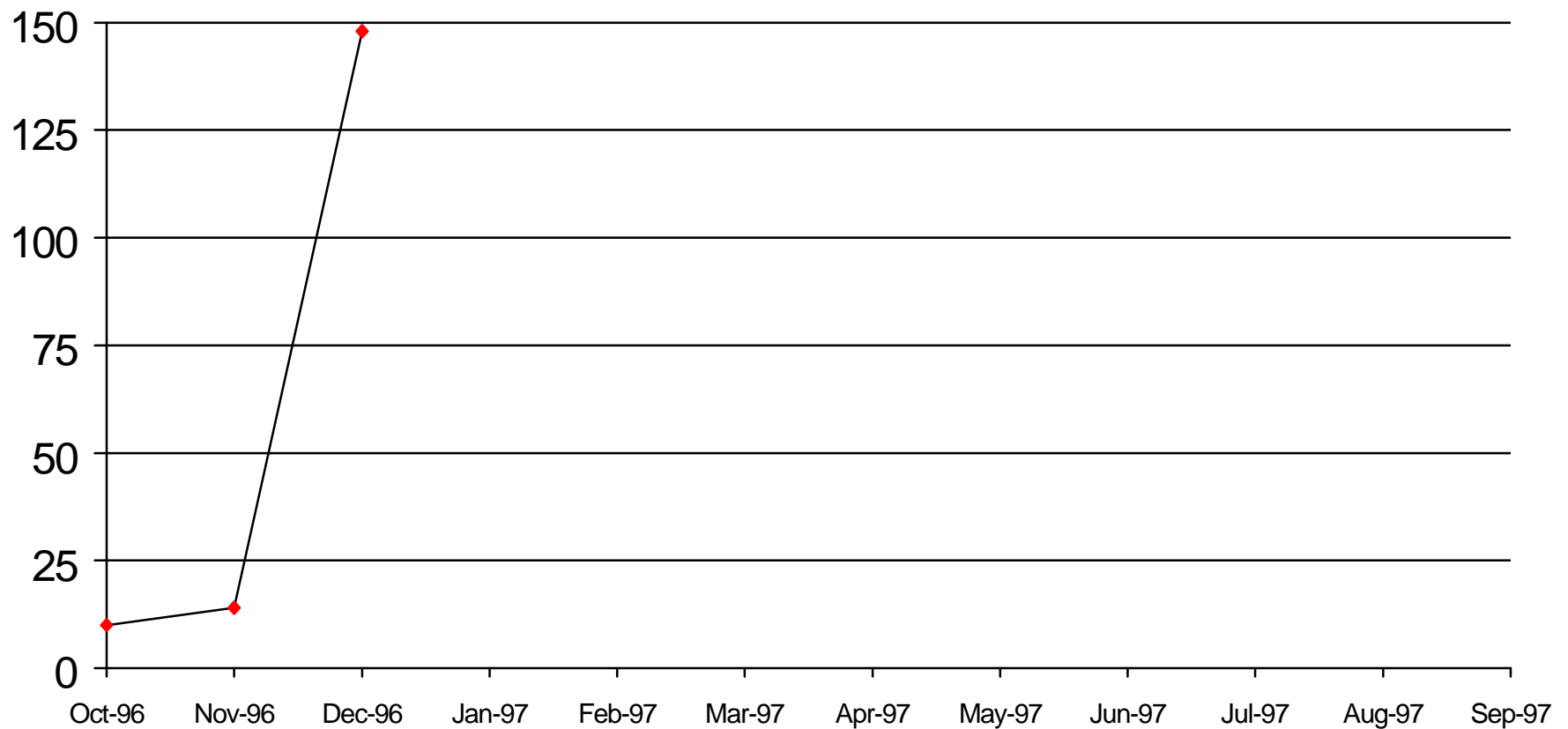
Business Plan Reference: 1.2.1



DCMDI Right “Price”

Negotiation Cycle Time

(Contractor Proposal Receipt to Modification/Order Date)





DCMDI Right “Price” Negotiation Cycle Time

Status: Yellow

Comments:

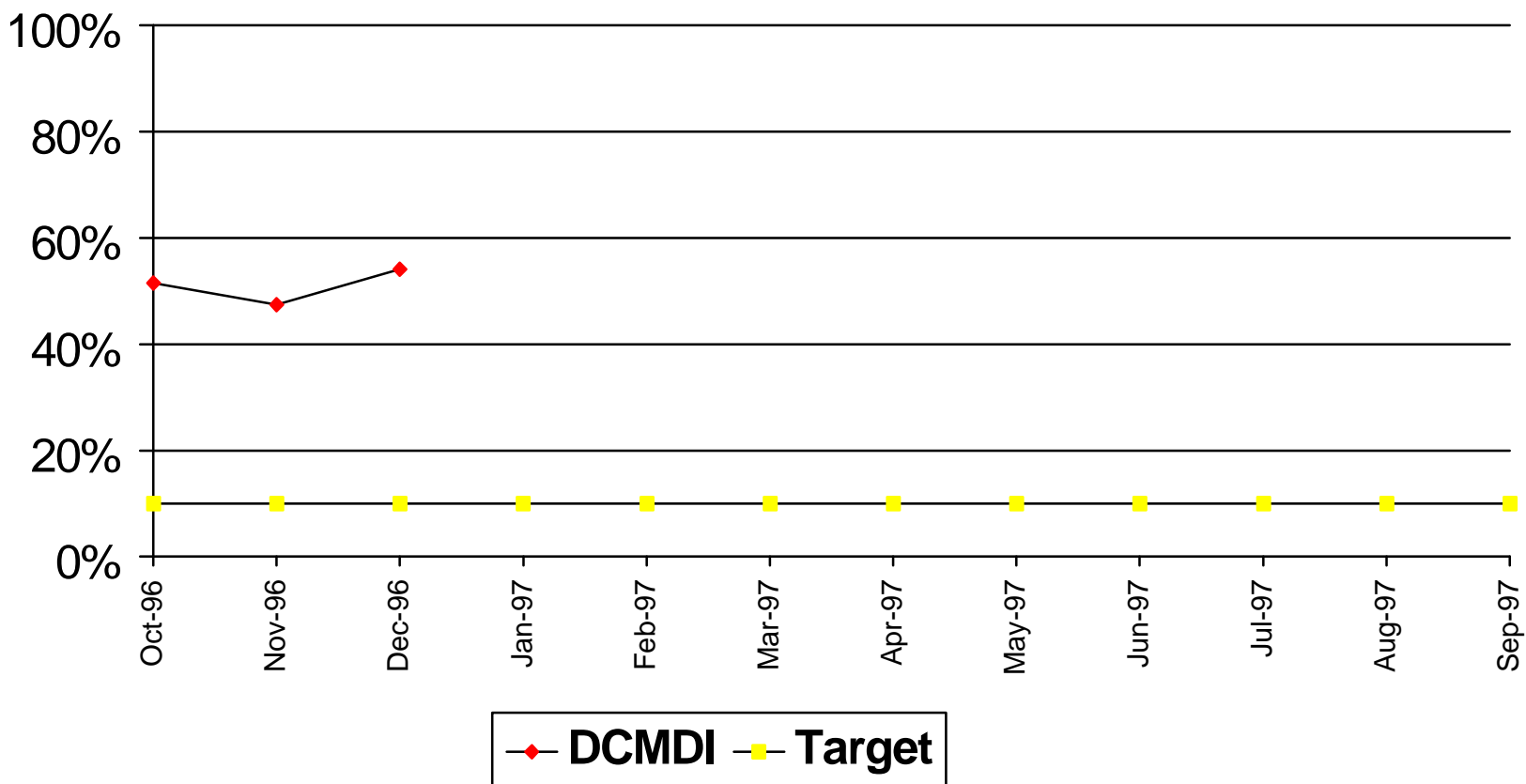
The contractor proposal receipt to order date divided by the number of negotiations i.e. 3,409 divided by 23 = 148 days. DCMC Americas contributed 1707 of the total days. Five were overaged due to overhead rate negotiations with London GM. DCMC Americas-Canada has subcontracts with Delco and those were the rates used for these orders.



DCMDI Right 'Price'

UCA Definitization

(UCAs >180 Days/UCAs On-Hand)





DCMDI Right “Price”

UCA Definitization

Status: Yellow

Comments: (Goal is 10%)

Backup Info: Yellow. DCMC NE is working closely with Contractors and Buying Activities. DCMC is dedicating more resources to backlog.

- DCMC Northern Europe

of UCAs > 180 days = 40

54% Overage

- DCMC Americas

of UCAs > 180 days = 49

55% Overage

Business Plan Reference None

Problem Description

- DCMC Northern Europe

Untimely Proposals

Buying Activity Funding

- DCMC Americas

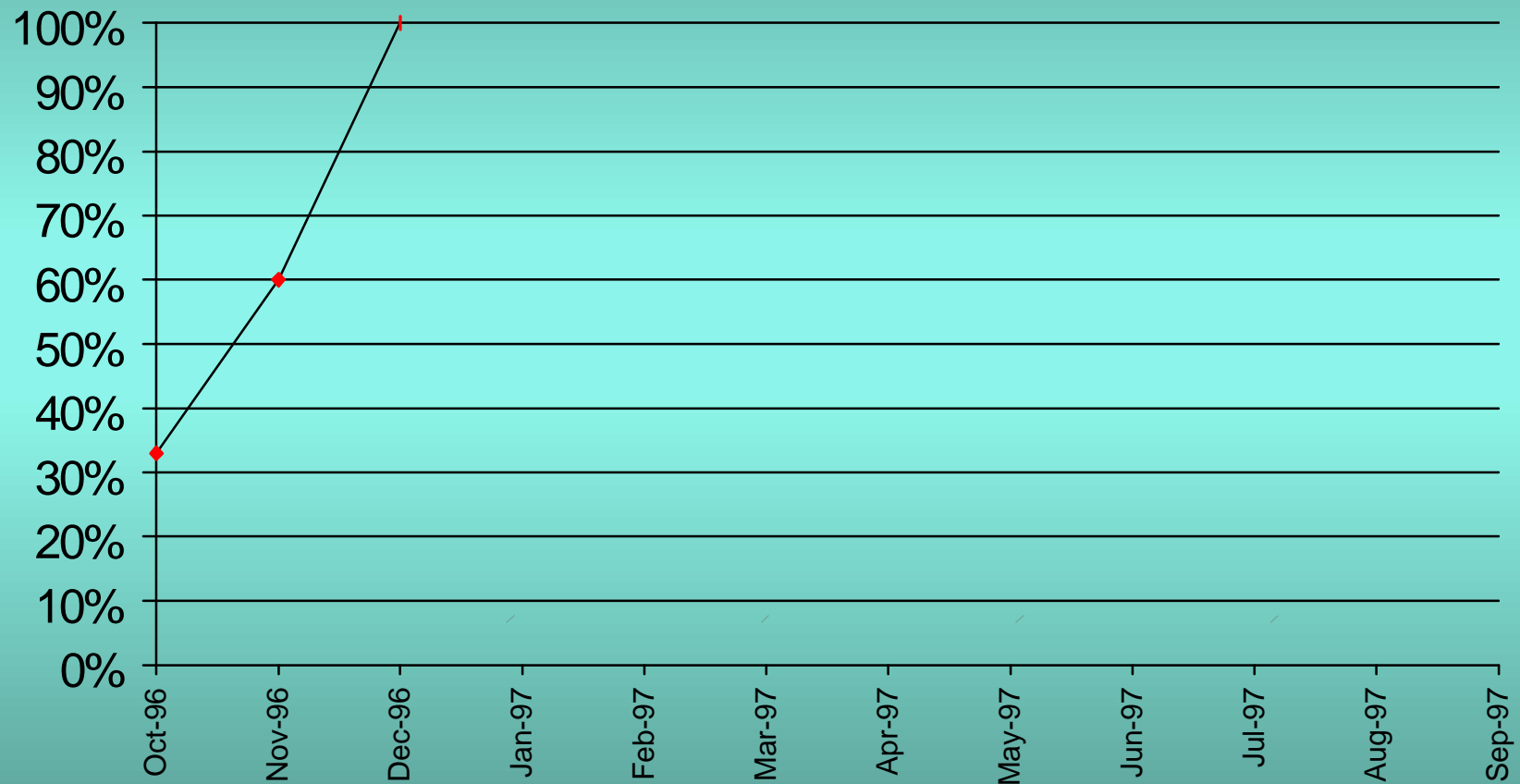
Backlog

DCMDI

Right Price

Forward Pricing Rate Agreement (FPRA) Coverage

(# Completed/# Segments Where FPRAs Beneficial)



Business Plan Reference: 1.1.1.3, 1.3.1.1

DCMDI

Right Price

Forward Pricing Rate Agreement (FPRA)
Coverage

(# Completed/# Segments Where FPRAs Beneficial)

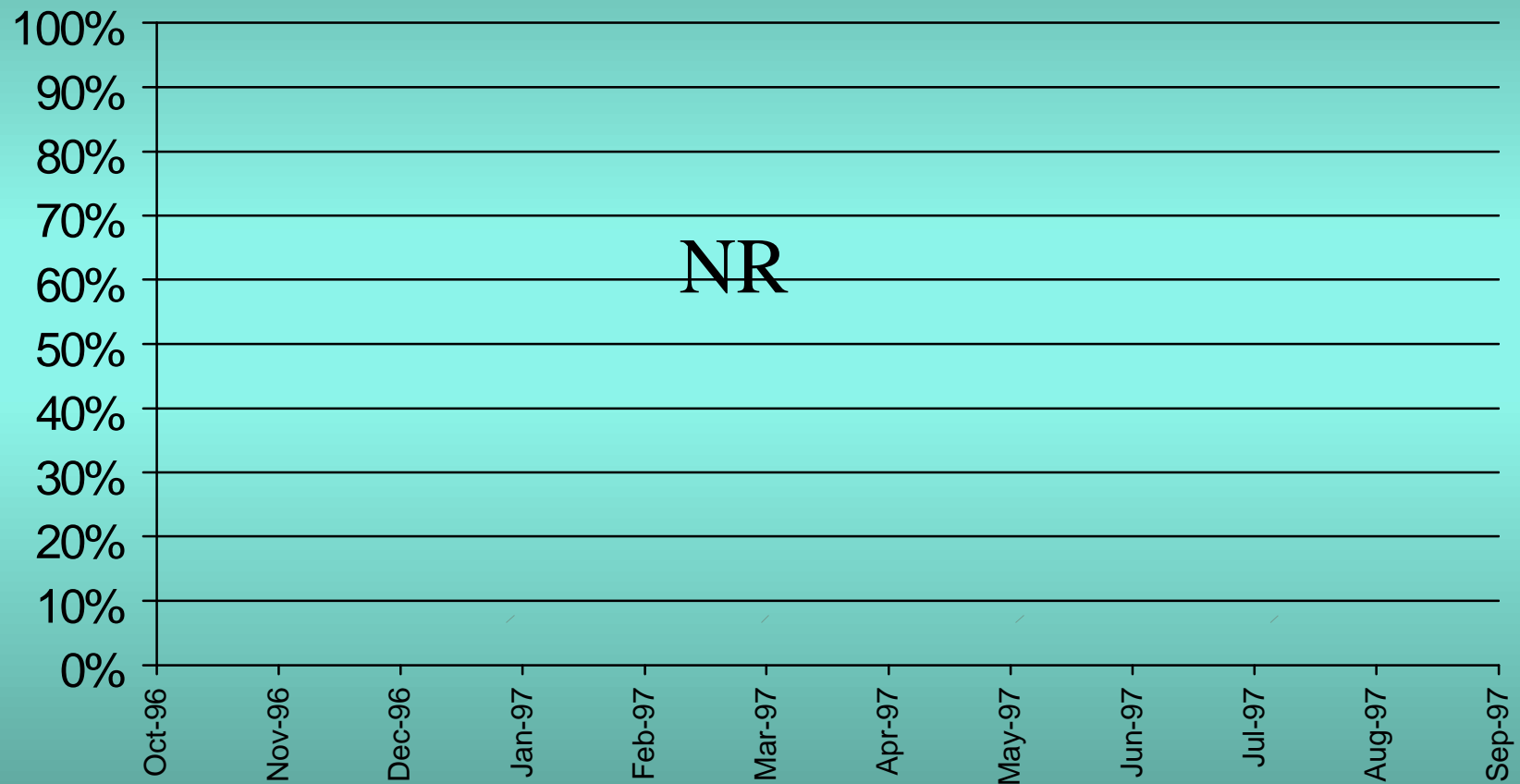
The number of FPRAs completed by the number of segments where FPRAs are beneficial. Four divided by four = 100%

Business Plan Reference: 1.1.1.3,
1.3.1.1

DCMDI

Right Price

Open Overhead Negotiations (4.4.1)



Business Plan Reference: 4.4.1

DCMDI

Right Price

Open Overhead Negotiations (4.4.1)

DCMDI has not collected this data before. The field offices will be polled for this data for next months MMR.

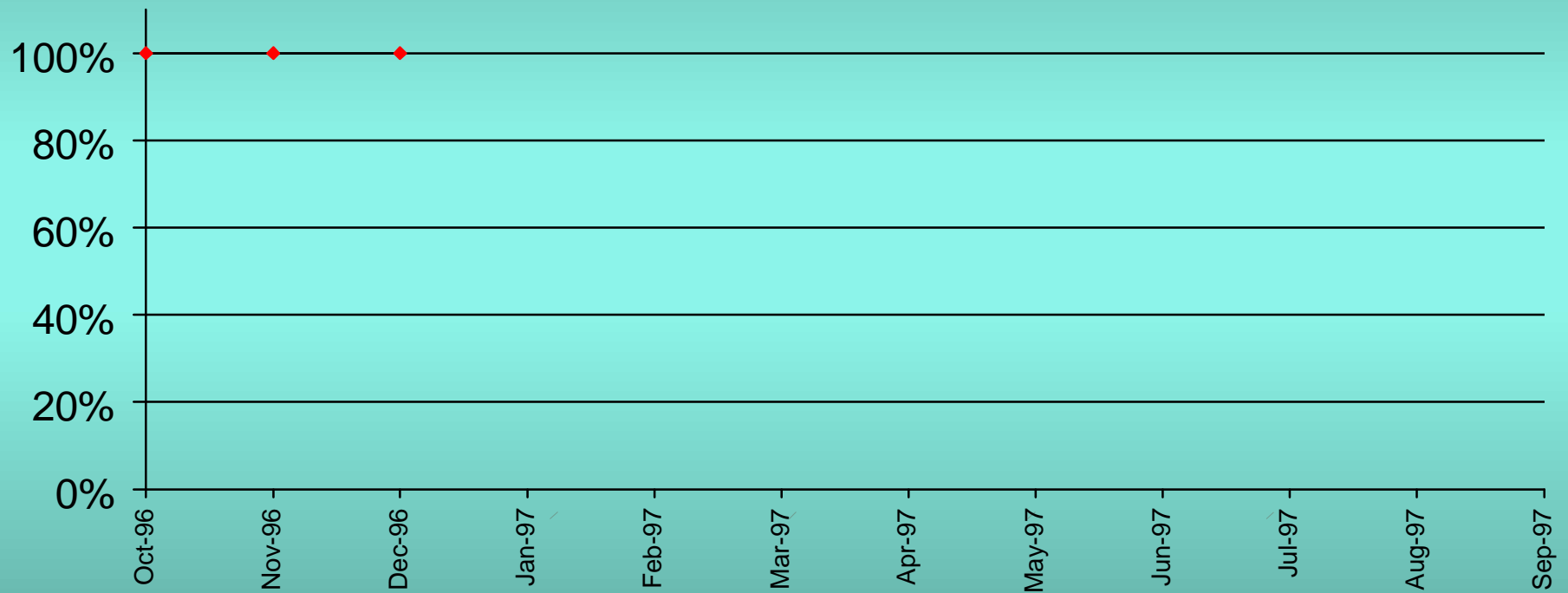
Business Plan Reference: 4.4.1

DCMDI

Right Talent

Training Quota Usage

(Percent Course Quotas Completed)



Business Plan Reference: 5.1.1

DCMDI

Right Talent

Training Quota Usage

(Percent Course Quotas Completed)

Backup Info: Green. DCMDI has filled all quotas to date.

DCMDI Performance Improvement

1997 Business Plan - Performance Goals

Int'l

- | | |
|---|-------|
| 1.1.1 Continually improve process to help customers craft better contracts and make better contractor selections (EARLY CAS CHALLENGE) (briefed under Mission Rights) | Green |
| 1.2.1 Increase the percentage of items (source inspected) conforming to product specifications (Right Item under Mission item #1) | Green |
| 1.2.2 Improve by 5% over the FY 96 baseline, the number of contract line items delivered to the original delivery schedule (Right Time under Mission item #2) | Green |
| 1.2.3 Increase overall DCMC ROI by 10% over the FY 96 baseline (Right Price under Mission item #3) | Green |
| 1.3.1 Continually improve all facets of the contract close-out process (Targets=Less than 5%/20% overage contracts for those with/without canceling funds respectively (Right Efficiency under Mission item #6A)) | Green |
| 2.1.1 Incrementally expand JLC Acquisition Pollution Prevention Initiative to additional contractor sites | N/A |
| 2.1.2 Establish/maintain/improve surveillance process to sense/satisfy customer needs (DELIVERY DELINQUENCIES CHALLENGE) (Right Time under Mission items # 2A-2G) | N/A |
| 2.1.3 Continue to identify/define and implement actions necessary to ensure that DCMC is positioned to remain a key player in the DoD acquisition process in the 21st century | N/A |
| 2.1.4 Improve the effectiveness and efficiency of all our communication efforts (INTRA-DCMC COMMUNICATIONS CHALLENGE) | Green |

DCMDI Performance Improvement (Con't)

1997 Business Plan - Performance Goals

Int'l

- | | | |
|-------|---|-------|
| 2.1.5 | Continually improve/enhance organization & processes that deliver quality products/services (INTERNAL PROCESS CHALLENGE) | Green |
| 2.1.6 | Support info technology initiatives by deploying 90% of projects in the ARM plan on schedule (INFORMATION TECHNOLOGY CHALLENGE) | RED |
| 2.1.7 | Develop/deploy small quantity of outcome-oriented performance measures which best | Green |
| 2.1.8 | Package DCMC-wide data for the customer in a comprehensive, timely, and user-friendly manner (PACKAGING DCMC DATA CHALLENGE) | Green |
| 2.2.1 | Use the results of Performance Based Staffing Assessment to better structure and utilize the workforce | Green |
| 2.3.1 | Improve mission and support processes by conducting USA and management control reviews; incorporate areas for improvement into the planning process | Green |
| 2.3.2 | Assess organizational performance through the accomplishment of 30 IOAs during FY 97 | Green |
| 2.3.3 | Continue those benchmarking projects started in FY 96 | N/A |
| 2.3.4 | Explore the use of Alternate Oversight approaches and other methods to enhance operational efficiency at various CAO locations | N/A |
| 2.3.5 | Refine Internal Assessment (INTERNAL ASSESSMENT CHALLENGE) | N/A |

DCMDI Performance Improvement (Con't)

1997 Business Plan - Performance Goals

Int'l

3.1.1 Reduce facilities costs - bring footage of office space into compliance

Red

with DLA standard - move offices from leased space into DoD space

3.1.2 Reduce number of high grade positions (14/15/SES) by 4% DCMC-wide

Green

3.1.3 Increase civilian supervisory ratio to 13:1

Green

3.1.4 Prepare for Defense Business Operations Fund (DBOF CHALLENGE)

N/A

3.2.1 Develop and implement an integrated planning, programming, budgeting,

Green

execution, and assessment management system.

3.3.1 Improve work environment to enhance employees' well being, productivity

Green

4.1.1 Maintain overall customer satisfaction level greater than 4.0

Green

(Right Reception under Mission item #5B)

4.1.2 Field activities continue to solicit customer satisfaction information

Green

via Trailer Cards (Right Reception under Mission item #5C)

4.2.1 Increase FEDCAS reimbursable earnings to \$17.5M by close of FY 97

Green

(327,164 hours at rate of \$53.49)

5.1.1 Establish, maintain and improve a strategic workforce development

Green

system that addresses current and future skills needed to satisfy customer

requirements (WORKFORCE SKILLS CHALLENGE) (Right Talent under Mission item #7)

5.2.1 Increase percentage of eligible organizations with partnership agreements/councils

Green
84



DCMDI Performance Improvement Goal 2.1.6

Information Technology Challenge

(Percent of IRM Projects Selected that were deployed on Schedule)

Status: **RED**

Project	# Field Activities	Sched Completion Date
Field Cmdrs Video teleconferencing	NOTE: THIS PERFORMANCE GOAL WAS UPDATED DURING THE JAN PLANNERS CONFERENCE AND WILL BE REWRITTEN IN FEB.	
WWW Netscape Deployment		
TAMS deployment		
PASS deployment		
ALERTS deployment		
PCARSS deployment	DCMDI WILL TRANSFER 4 EMPLOYEES TO AQAC TO FACILITATE IMPLEMENTATION OF THE NEW IRM PLAN	
DSIS/IASO		
Standard Procurement System (SPS)		
EDI DD 250 system deployment		

Business Plan Reference: 2.1.6



DCMDI Performance Improvement Goal 2.1.6

Information Technology Challenge

(Percent of IRM Projects Selected that were deployed on Schedule)

Status: **RED**

Comments:

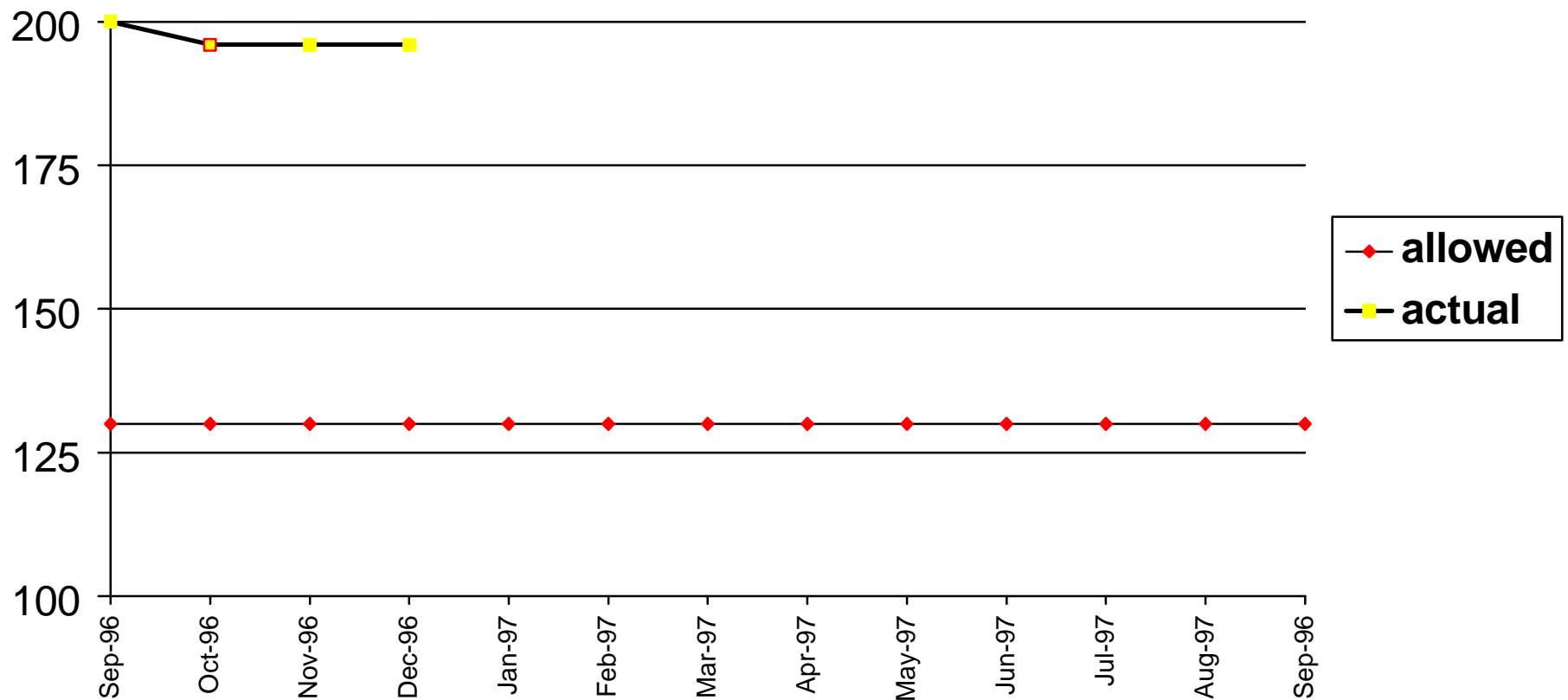
- 72 % users have WWW access
- Telecom: Most sites are unreliable & too slow
- PLAS (8.0) fielded in Dec at all locations
- SICM fielded but need roll-up
- Non-standard Applications (many variation)



DCMDI Performance Improvement Goal 3.1.1

Reduce Facilities Cost

(Difference between total square feet allowed versus actual square footage)



Business Plan Reference: 3.1.1



DCMDI Performance Improvement Goal 3.1.1

Reduce Facilities Cost

Status: **RED**

Comments: (as of 31 Dec 96)

Total square footage for DCMDI is 134,615

Includes 44 OCONUS offices and DCMDI at Ft. Belvoir.

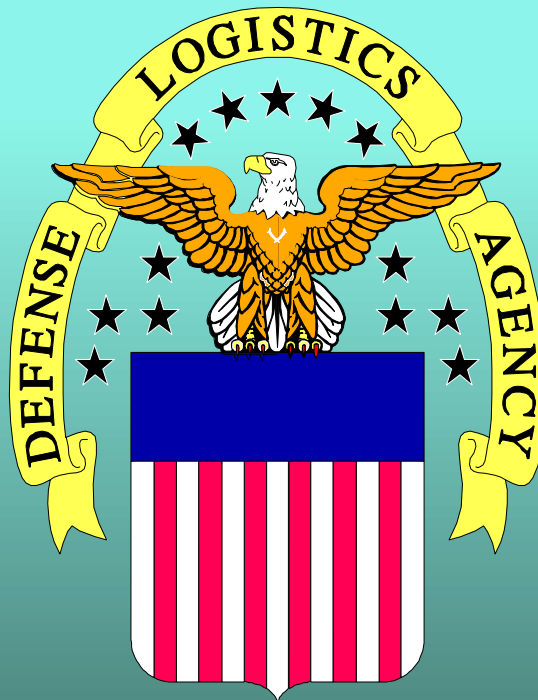
Of the 44 OCONUS offices 8 are commercial leased, 1 is GSA leased, and 1 is provided by Embassy.

Remaining 34 offices are Contractor furnished, DoD vacant space, and/or furnished by the Host Country.

DCMC

Monthly Management Review

DCMDE





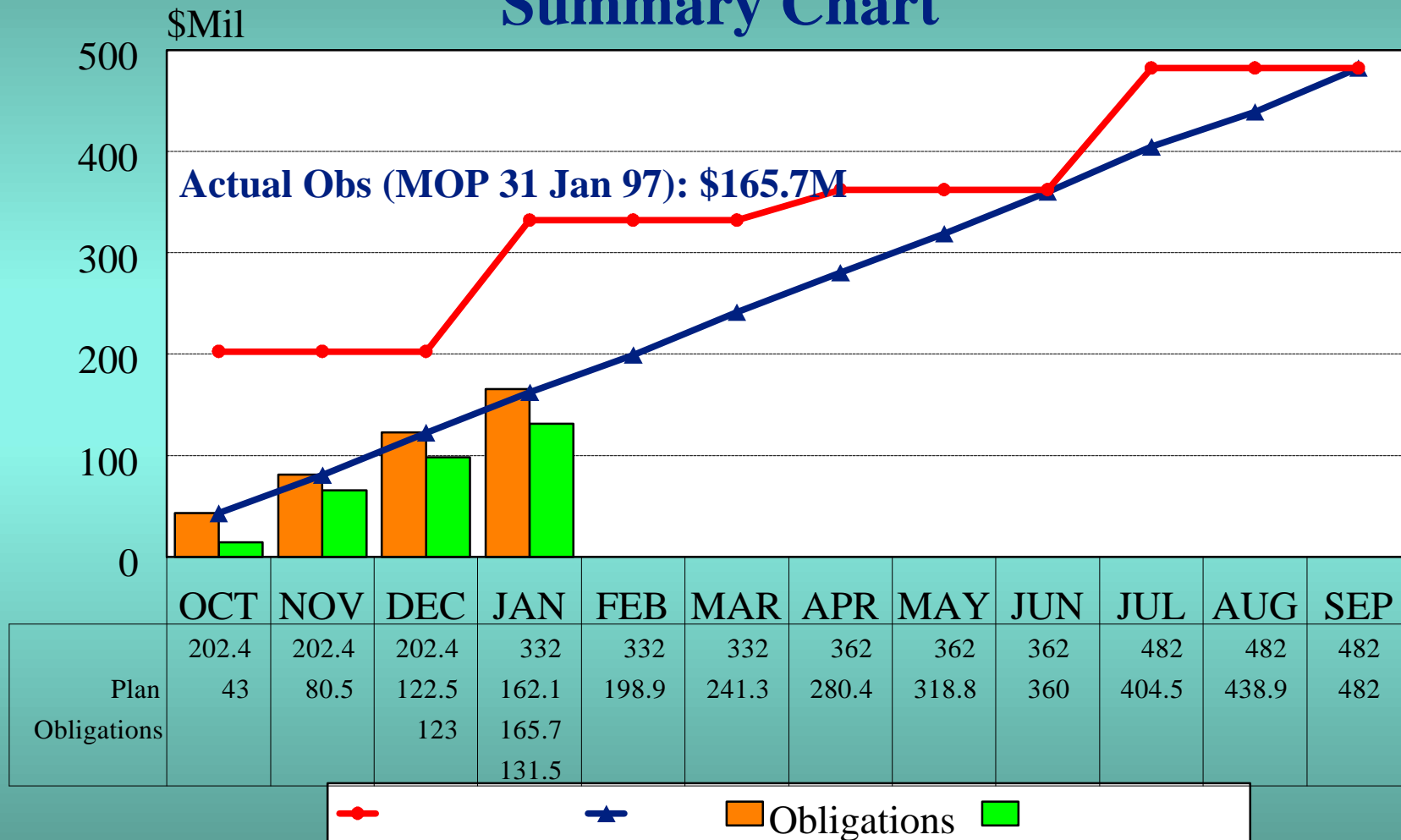
Resource Management

Dec 96 data

DCMDE

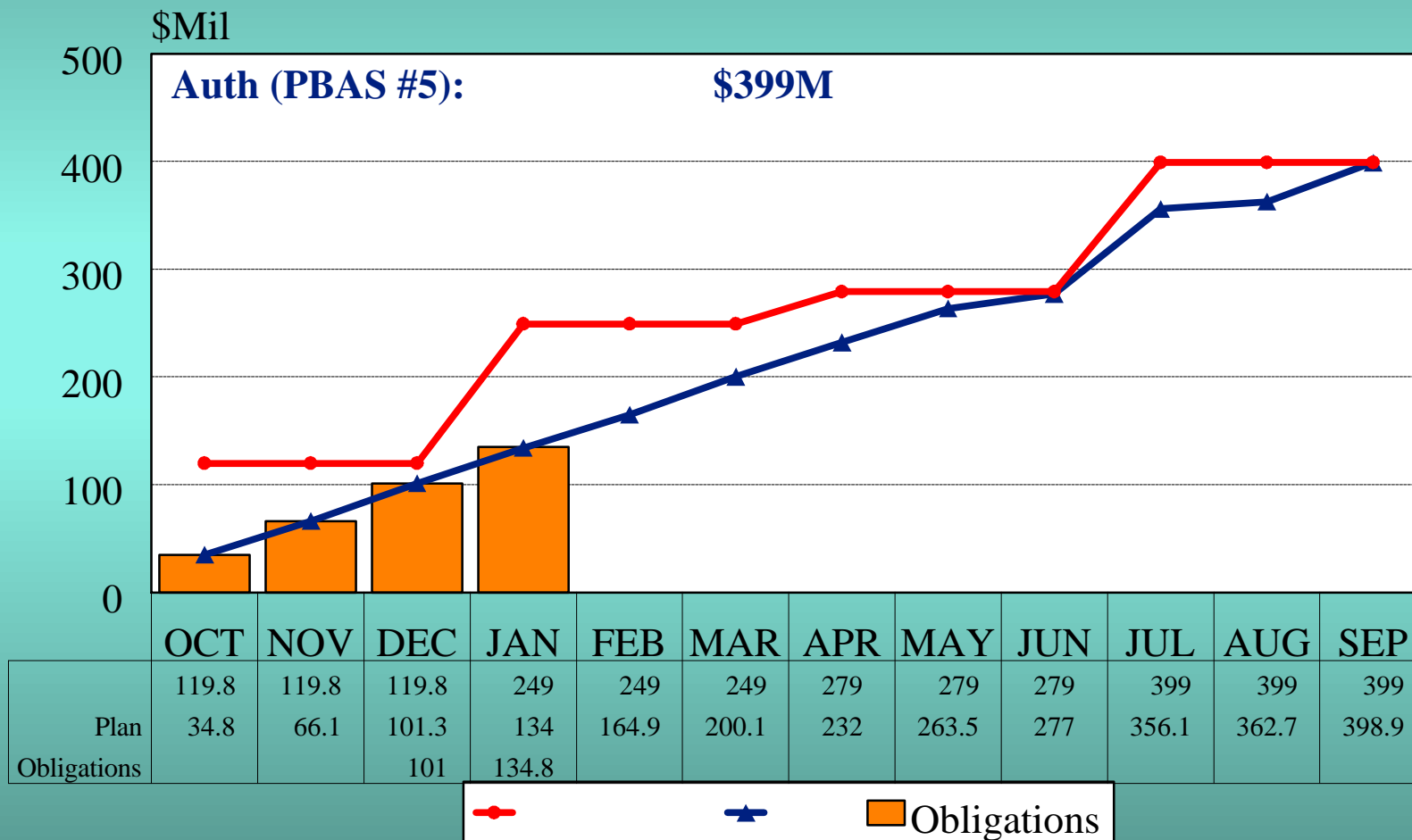
Business Performance Metric	East
• Budget Execution	
• Total	Green
• Direct	Green
• Reimbursable	Green
• Manpower	
• Total (FTE Execution)	Yellow

a/o 31 January 97 Summary Chart

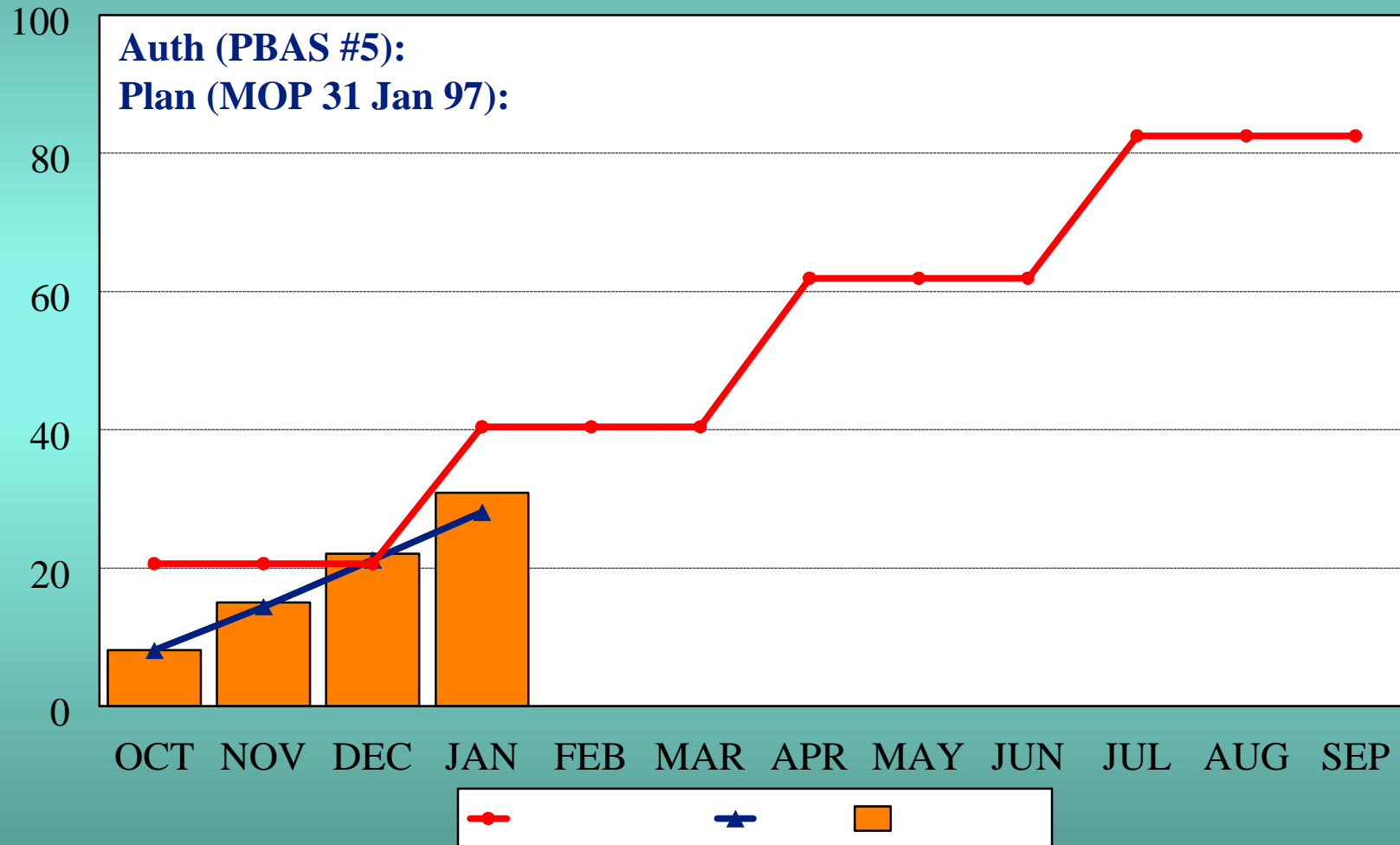


Obligations/Plan: 102%%

a/o 31 January 97

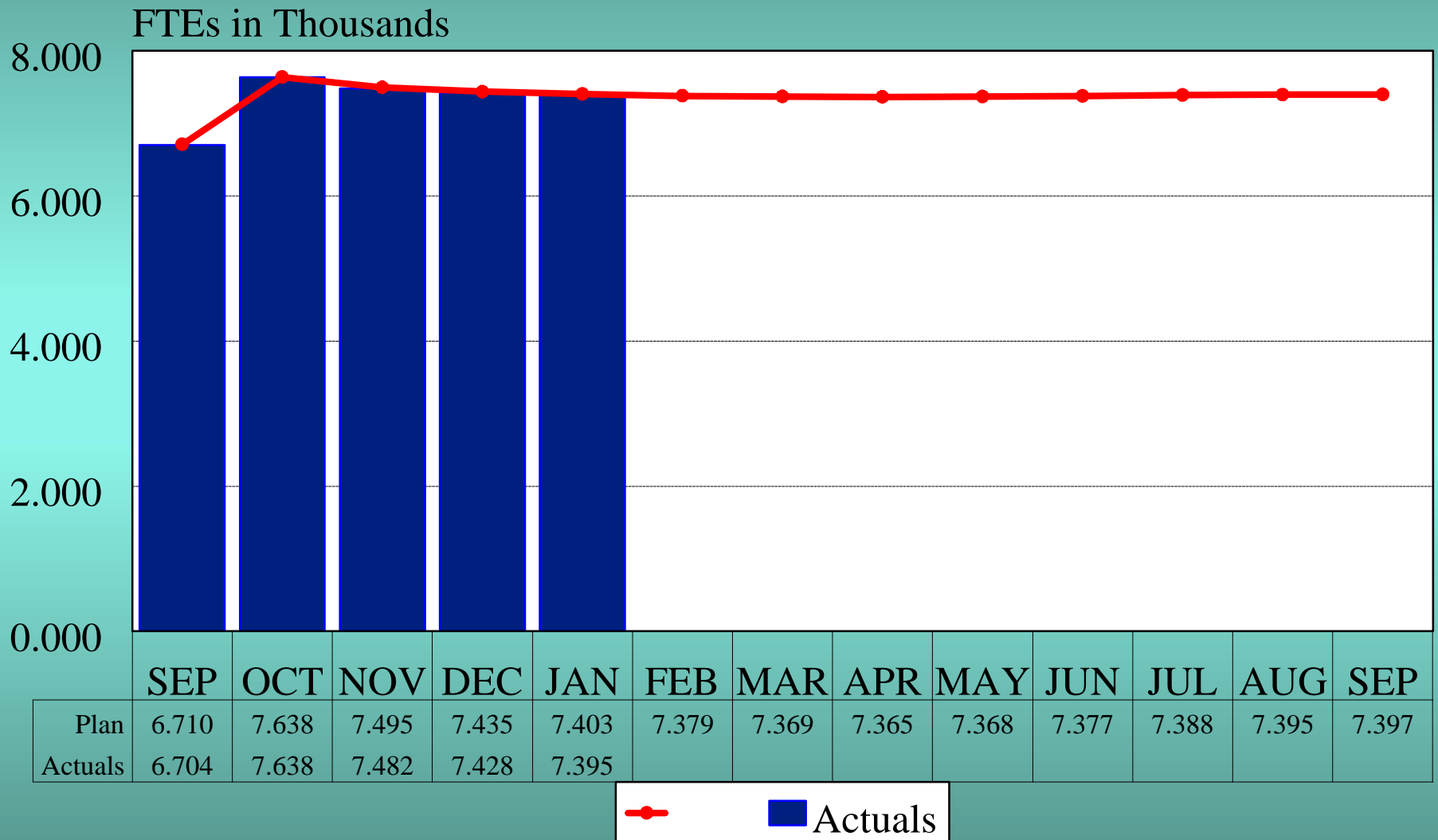


a/o 31 January 97 Reimbursables



Earnings/plan: 110%

FY97 DCMDE FTE Execution a/o 31 January 1997



Actual/Plan: 99.9%

A/O 31 Jan 97



FY97 FTEs GOAL = 7419

Comments:

January FTE Variance:

High level of unplanned losses - 44 vs 14 plan

Gains - 22 vs 18 plan (not including Baltimore Navy positions)

The unplanned losses resulted in the District staff revisiting the Hiring Plan.

FTE Under Execution Comparisons

	<u>FTE AUTH</u>	DIST PLAN	JAN	<u>JAN MONTH</u>
Atlanta	286	280	273.5	273.2
Baltimore	509	478	454.3	463.5
Birmingham	255		234.3	233.4
	413		400.9	399.3
		51	47.7	44.7
Dayton	<u>329</u>	<u>324</u>	<u>315.9</u>	<u>314.9</u>
	1852	1788		

FTE Over Execution Comparisons

	<u>FTE AUTH</u>	DIST PLAN	JAN	<u>JAN MONTH</u>
Cleveland	305	316	320.6	317.3
Detroit	200	209	214.5	211.3
Grand Rapids	113			106.5
Grumman Bethpage B	107	114	124.7	122.5
LM Defense Sys East C				
		329	391.7	385.9*
IASO	<u>44</u>	<u>54</u>	<u>56.7</u>	<u>55.5</u>
	1167			1262

*Includes 5 FTEs CCAS

A - RIF Jun 97 - 42 people

Mission Performance

N/R Not Rateable
N/A Not Applicable

Performance Metric	DCMD	East
1. Right Item - Conforming Items (3.7.1.3)	N/R	
A Design Defects (ECPs & W/Ds) (3.10.1 & 3.10.1.1)	Yellow	
B Packaging Discrepancies (3.4.1)	N/R	
C Adopted Software Recommendations	Yellow	
2. Right Time - On Time Contractor Delivery (3.7.1)	N/R	
A Customer Priority List (CPL) Coverage (3.7.2)	Green	
B Engineering Change Cycle Time (3.10.2.2)	Yellow	
C Schedule Slippage's on Major Programs (3.12.2.1)	N/R	
D Shipping Document Cycle Time (3.5.2)	N/R	
3. Right Price - Cost Savings & Avoidance's (1.4.1)	N/R	
A ROA On Property From Plant Clearance (4.3.1)	Green	
B Negotiation Cycle Time (2.2.2)	N/R	
C UCA Definitization (2.2.2.1)	Yellow	
D Forward Pricing Rate Agreement (FPRA) Coverage (2.2.1.1)	Green	
E Open Overhead Negotiations (4.4.1)	Yellow	
F Cost Overruns on Major Programs (3.12.1.4)	N/R	
G \$ Value of Lost/Damaged/Destroyed Govt Property (3.2.1)	Green	
4. Right Advice - Participation in ASPs and RFP Reviews (1.2.3)	Green	
A Repeat Requests for Early CAS (1.2.3.1)	Green	

Mission Performance (Con't)

N/R Not Rateable
N/A Not Applicable

Performance Metric	DCMD	East
B % Contractors on Contractor Alert List (CAL) (2.1.1.2)	N/R	
C Single Process Initiative (1.2.4)	Green	
D Preaward Survey Timeliness (2.1.2)	Green	
E Amount Of DoD Property(3.2.1.1)	N/R	
F Excess Property (3.2.1.2)	Green	
G Delay Forecast Coverage (3.7.1.1)	N/R	
H Delay Forecast Timeliness (3.7.2.1)	N/R	
I Delay Forecast Accuracy (3.7.1.2)	N/R	
5. Right Reception - Customer Satisfaction (3.11.1.1)	Green	
A Service Standards (1.3.1)	N/R	
B Trailer Cards (3.11.1.2)	Green	
6. Right Efficiency - Contracts per FTE (1.1.8)	N/R	
A Contract Closeout (4.2.2.2)	Green	
B Canceling Funds (TBD)	N/R	
C Termination Actions (4.1.2.)	N/R	
7.Right Talent - Training Hours (1.8.1.)	Red	
A DAWIA Certification (1.8.1.2)	Red	
B Course Completion (1.8.1.1)	Green	
C Training Quota Usage (1.8.1.3)	Green	

DCMDE

RIGHT ITEM

Conforming Items

Usable Lab Tested Items/# Lab Tested X 100

STATUS: N/R

FY97 Goal: Increase 5% over FY96

- No current DCMDE failures.

RIGHT ITEM

Conforming Items

DCMDE Concerns:

- What constitutes failure - no written documentation.
- Inconsistent reporting by labs - lack of PQDR issuance/documentation.
- Metric vs. data provided by DCMC - Metric is % overall; District receives failure count only.
- Difficult to assess trends.

RIGHT ITEM

Conforming Items

DCMDE Improvement Plan:

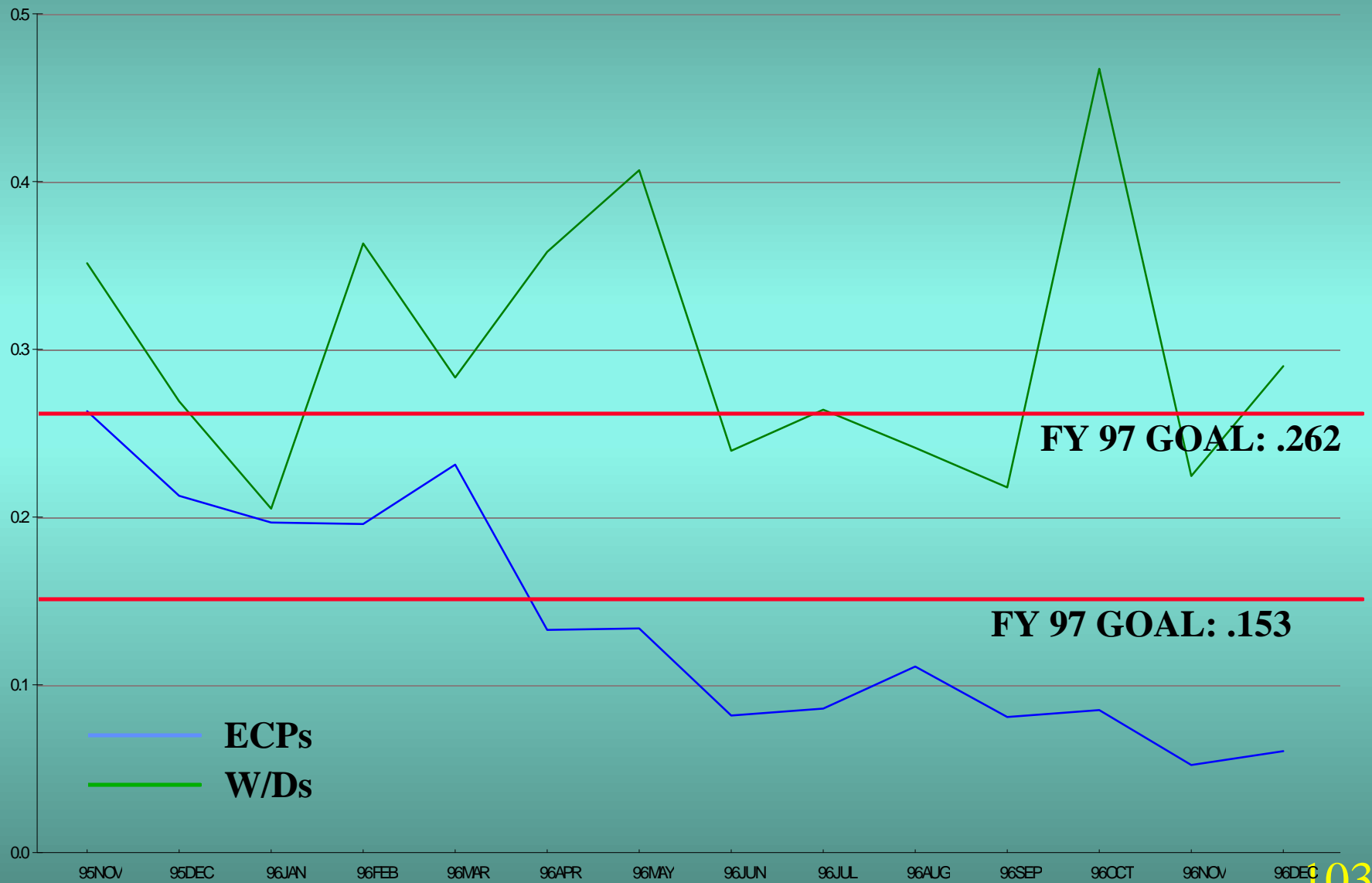
- HQ DCMC provides the needed info:
 - oo PQDR #, KT #, KT's Name, CAO
- Trend Analysis
 - oo No trends available, too new
- Query to CAOs
 - oo E-Mail February 13, 1997

DCMDE

Right Item
DESIGN DEFECTS
DESIGN DEFECTS PER 1000 KTS

DCMDE

Layer 1/45



DCMDE

RIGHT ITEM

Design Defects Waivers and Deviations

Major/Critical Waivers & Deviations / Number of Contracts Times 1000

STATUS:



YELLOW

FY 97 GOAL : 0.261 M/C W&Ds / 1K Contracts

- FY 97 Actual: 0.34 W&Ds per 1K Contracts
- December: 0.29 M/C W&Ds PER 1K Contracts
- Past Major Contributor BSY-2
- 6 CAOs generated 76% of W&Ds
 - DCMC Birmingham has issues with Sidewinder
 - Customer will agree to ECPs (TDP Changes)
 - DCMC Raytheon continuing issues with BAT
 - No other trend observed

Business Plan Reference 1.2.1.1

DCMDE

RIGHT ITEM

Design Defects Waivers and Deviations

Major/Critical Waivers & Deviations / Number of Contracts Times 1000

STATUS:



YELLOW

FY 97 GOAL : 0.261 M/C W&Ds / 1K Contracts

- Analysis of data for Jan 96 -Dec 96 (87% in AOs)
- Two Major problem areas identified
 - Manufacturer not following build requirements (65%)
 - Technical Data Package issues(24%)
- Develop listing of contractors who consistently generate major W&Ds due to manufacturing deficiencies (estimate 20)
- Identify buying offices that have continuous issues with incorrect Technical Data Packages

Business Plan Reference 1.2.1.1

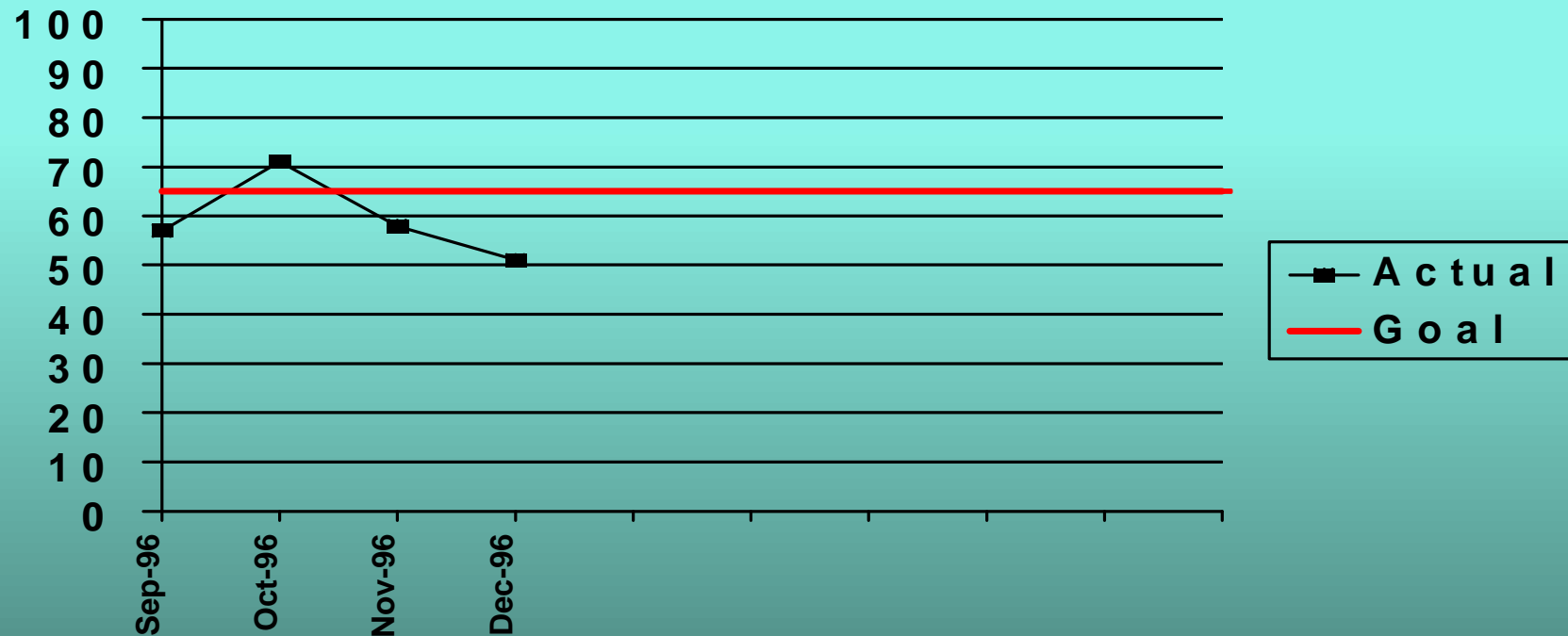
B. Adopted Software Recommendations

$$\% \text{ Made} = \frac{\# \text{ of Recommendations made prior to Code \& Unit Test}}{\# \text{ of Recommendations made}} * 100$$

$$\% \text{ Adopted} = \frac{\# \text{ of Recommendations adopted prior to Code \& Unit Test}}{\# \text{ of Recommendations made prior to Code \& Unit Test}} * 100$$

STATUS:

Yellow

% Made Goal: $\geq 65\%$ of Recommendations made prior to Code & Unit Test% Adopted Goal: $\geq 30\%$ of Recommendations Adopted prior to Code & Unit Test**% Recommendations Made**

B. Adopted Software Recommendations

$$\% \text{ Made} = \frac{\# \text{ of Recommendations made prior to Code \& Unit Test}}{\# \text{ of Recommendations made}} * 100$$

$$\% \text{ Adopted} = \frac{\# \text{ of Recommendations adopted prior to Code \& Unit Test}}{\# \text{ of Recommendations made prior to Code \& Unit Test}} * 100$$

STATUS:

Yellow

% Made Goal: $\geq 65\%$ of Recommendations made prior to Code & Unit Test**% Adopted Goal: $\geq 30\%$ of Recommendations Adopted prior to Code & Unit Test**

- Issued a “Lessons Learned” memorandum to CAOs based upon analysis of data.
- Compiled a list of approx. 15 CAOs who appear to be having problems with SPECS. Have begun to contact POCs at their respective CAOs to resolve issues.
- Only 42% of the software contracts are at the initial phases of the software lifecycle. (58% have gone beyond code & unit test phase)
- Recommend changes to the metrics for FY98. (Current metric focuses on early phase; should include entire life cycle)

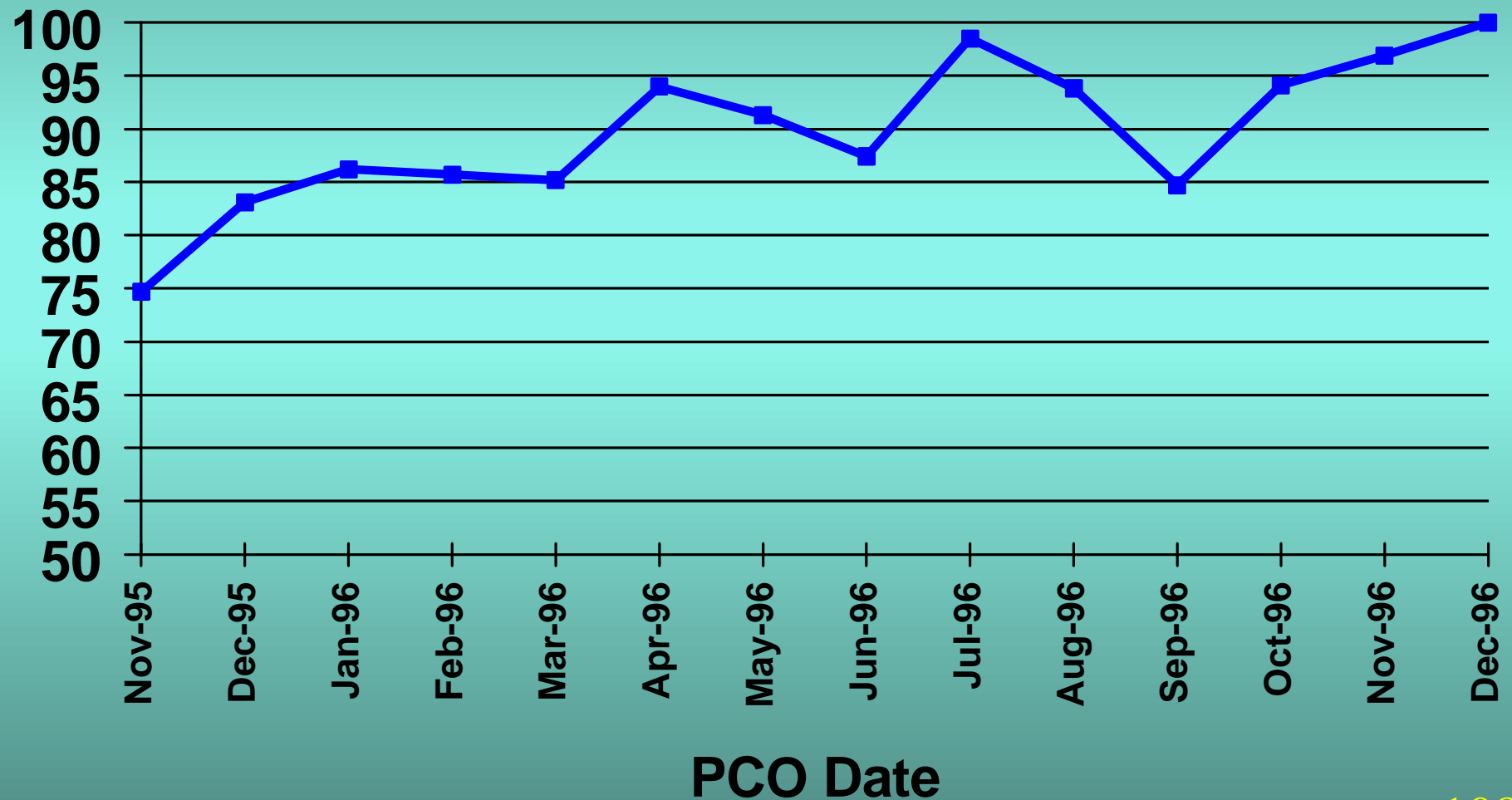
E. Engineering Change Cycle Time

STATUS:



Yellow

FY97 Goal: 100% On Time



DCMDE

Right Time

E. Engineering Change Cycle Time

STATUS:



Yellow

FY97 Goal: 100% On Time

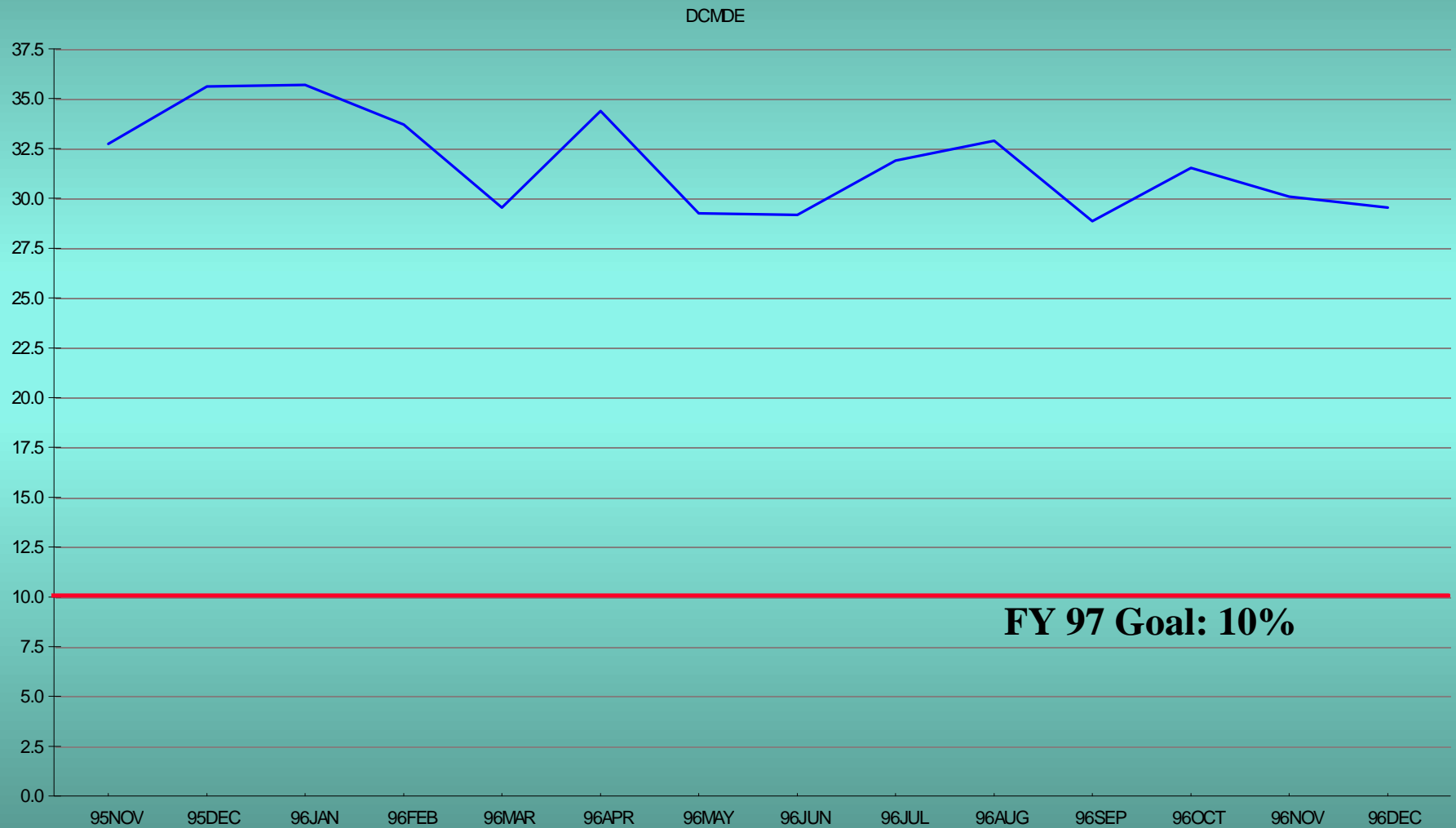
- **December: 100% On-Time (88 Total Recommendations)**
 - May change with additional PCO info received and input in Jan; reported in Feb (typically receive another 30-40 decisions)
- **PCO Information steadily increasing (up to 63% from 27% in Aug 96)**
- **Process Issues / Root Cause Analysis**
 - Fast PCO decisions
 - Delays inherent in some processes
 - Process Breakdown

District Corrective Action

- **Review CAO data prior to DCMC Hqtrs consolidation**
 - “Sanity” check
 - Started Jan 2 - 15, 1997 (December data).
 - Late recommendations: request CAOs to verify data and retransmit if inaccurate
- **Analyze data monthly and identify contributing CAOs**
 - Request cause and corrective action from CAO POCs (cc: Group Leader)
 - Escalate requests to CAO Commanders as necessary

DCMDE

Right Price
UCA DEFINITION
% OF UCAs ON-HAND OVER 180 DAYS



DCMDE

Right Price
UCA Definitization
(% of UCAs On-Hand > 180 Days)

STATUS:



YELLOW

FY97 Goal: 10%

- o Dec 96 Overage - 29.5% (860/2912)
- o Ten CAOs with 70.3%
- o District Staff - Visiting 5 CAOs per Corrective Action Plan (CAP)
 - Received CAPs from all CAOs over goal
- o Two root causes identified:
 - oo Late receipt of proposals
 - Elevate to top contractor management
 - Consider remedies (e.g. reduce progress payments)

DCMDE

Right Price
UCA Definitization
(% of UCAs On-Hand > 180 Days)

STATUS:



YELLOW

FY97 Goal: 10%

- o Two root causes identified (continued):
 - oo Late receipt of GFM
 - Work with Buying Activities
 - Work with DCMC CLR's
 - RADM Lippert letter dated 23 Dec 96
- o Potential Best Practices Identified:
 - oo Boeing catalog/long term spares contracting
 - oo Bundling
 - oo Bulk funding
- o Upcoming:
 - oo DCMC and Districts review of findings
 - oo Publish lessons learned

Business Plan Reference: **113** N/A

DCMDE

Right Price

UCA Definitization (% of UCAs On-Hand > 180 Days)

DCMDE Improvement Plan:

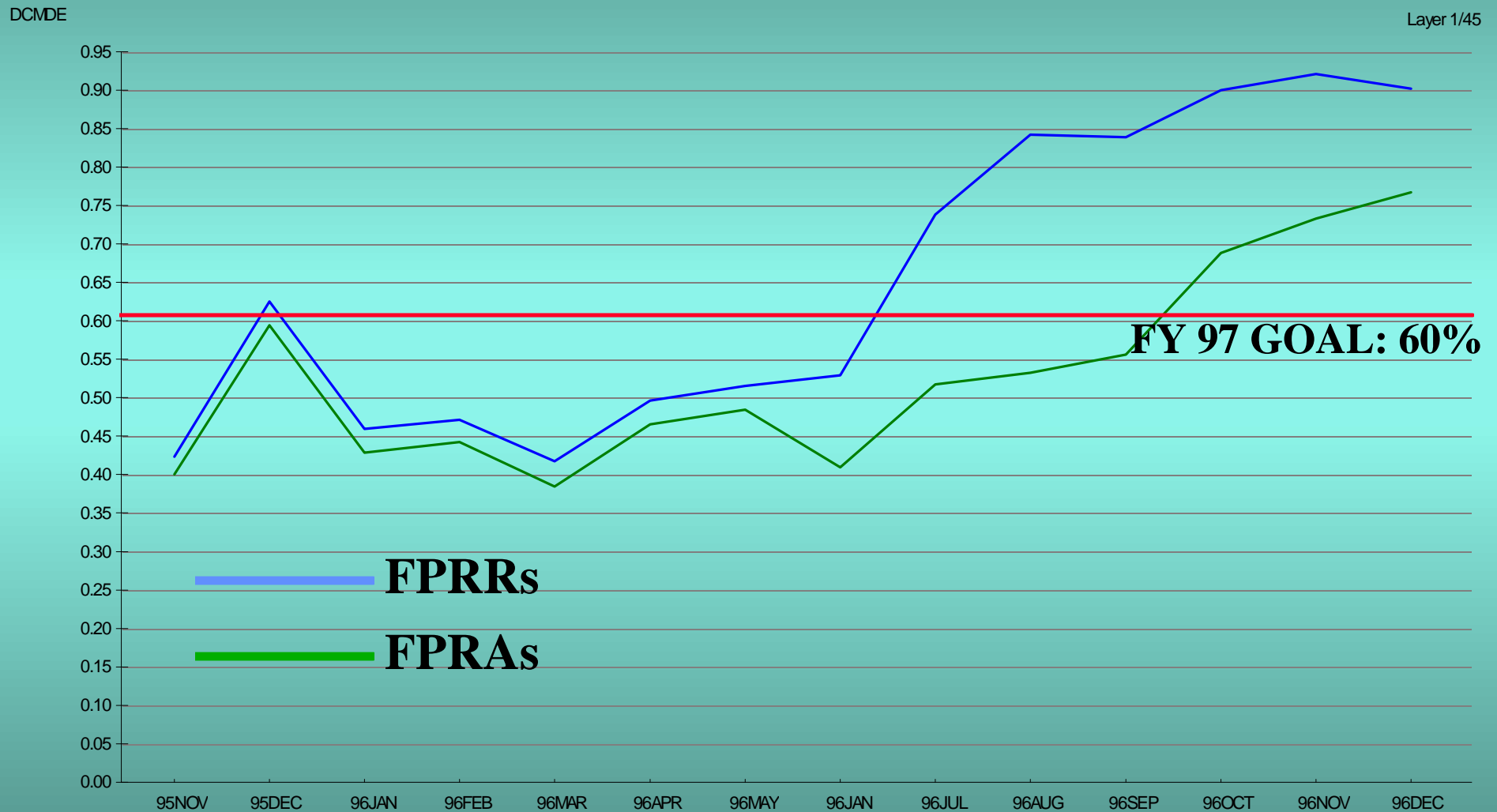
- **Visit High Drivers (4 of 5 Visited to Date) - Oct 96 - Feb 97**
- **Analyze Data Gathered From Visits (District East, West and DCMC) - Mar/Apr 97**
 - oo **Redefine Metric and Goal**
- **Concurrently With Analysis, Issue Lessons Learned - Mar/Apr 97**
 - oo **Bundling of Orders**
 - oo **Use of Decrements on Small Dollar Orders**
 - oo **Use of Catalogs/Long Term Priced Spares Contracts**
 - oo **Bulk Funding**
- **Encourage CAOs to Utilize CLRs at ICPs to Facilitate Solutions**

DCMDE

Right Price

FPRAs/FPRR COVERAGE

% COVERAGE OF FPRAs & FPRRs



DCMDE

Right Price
FPRA Coverage
(% of FPRAs\Possible Beneficial Segments)

STATUS:



GREEN

FY97 Goal: 60% FPRA Coverage

- o FPRA coverage for Dec 96 was 77%. An increase of 4% from Nov 96
- o There are 111 segments at 37 CAOs
- o Four CAOs will not meet goal in immediate future because of mergers and buyouts
- o Eight CAOs are working on FPRA and will meet goal by Apr 97
- o DCMDE reached goal by Oct 96
- o All sites that did not meet the goal were contacted for the purpose of establishing the reason for not meeting the goal and also to obtain a date they expect to meet the goal

Right Price

FPRA\FPRR Coverage

(% of FPRAs+FPRRs\Possible Beneficial Segments)

- o 111 Segments at 37 CAOs
- o 85 FPRAs + 15 FPRRs = 100 FPRAs,FPRRs
- o $100/111 = 90\%$ Coverage
- o Informal Goal is 100%

DCMDE

Right Price
FPRA\FPRR Coverage
(% of FPRAs+FPRRs\Possible Beneficial Segments)

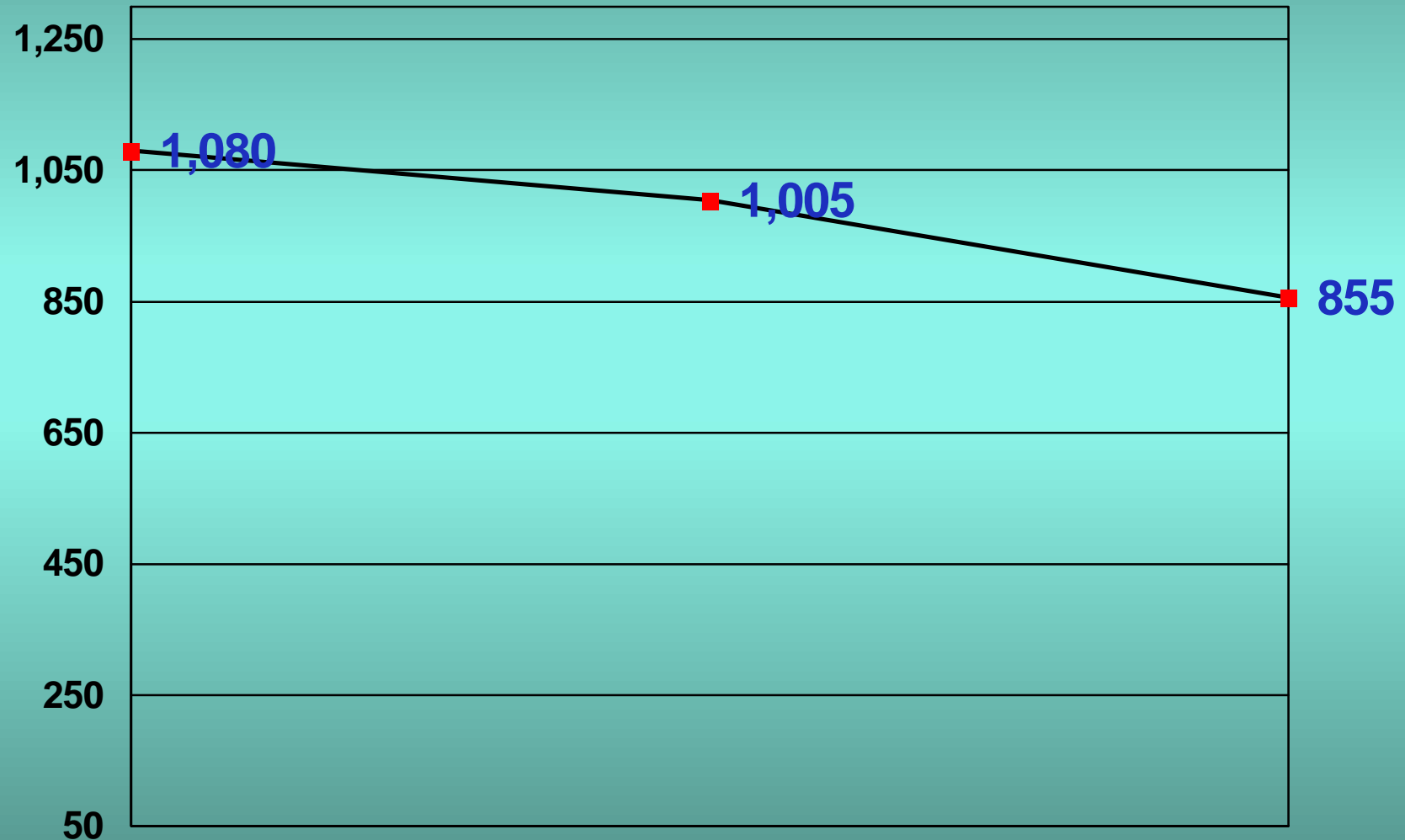
DCMDE Improvement Plan

- | | <u>Date</u> |
|--|-------------|
| •Provide a new letter to all DCMDE offices reviewing the beneficial segment definition | Feb 7, 97 |
| •Contractor Breakout
Geographic Offices will provide names and locations of Beneficial Segments | Feb 14, 97 |
| •DCMDE/DCAA will share DCMDE database on FPRA locations at problem segments | On Going |

STATUS: GREEN IMPROVING

DCMDE

RIGHT PRICE OPEN OVERHEAD STATUS



FY96-2qtr

FY96-4qtr

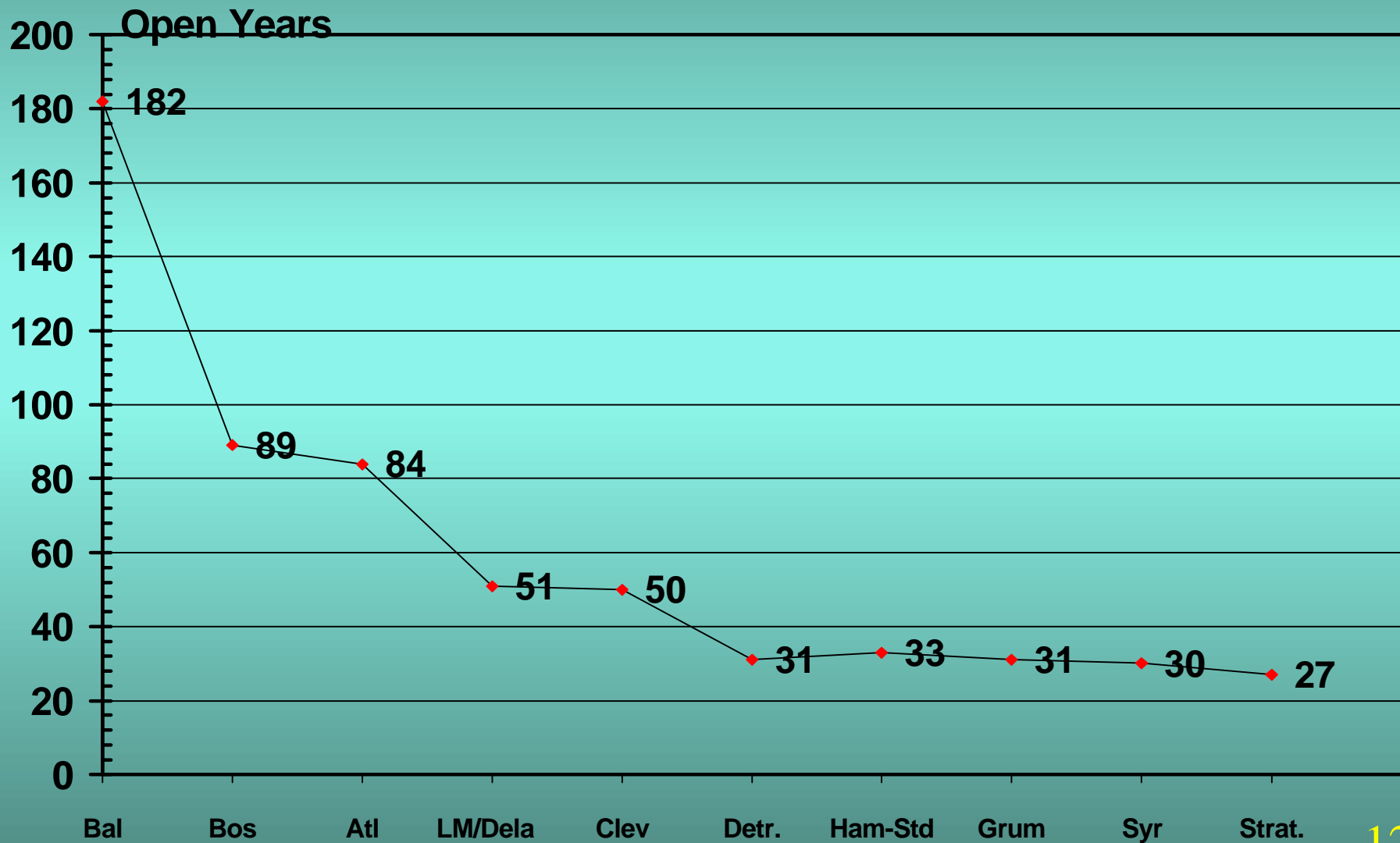
FY97- DEC 119

Right Price Open Overhead Negotiations

STATUS:  **YELLOW**

- o Open overhead years:
 - 2nd Qtr FY 96 - 1,080
 - 4th Qtr FY 96 - 1,005
 - As of Dec 96 - 855
- o The total number of open years has gone down; however, the number of open years based on audit reports on hand over six months has gone down but is still a big driver in resolving open overhead years.
- o The figures being reported reflect the deletion of all those years that have been negotiated by the ACO. This was done in order to present a truer picture of the situation as it exists in each CAO.
- o The process owner is participating in a series of reviews to the top five CAOs within DCMDE. The reviews are a necessary step in providing the assistance necessary to; first find out the root cause for all open years, and secondly, by providing assistance on the issues that are preventing resolution.

OPEN OVERHEAD NEGOTIATIONS CAO HIGH DRIVERS



Right Price

Open Overhead Negotiations (4.4.1)

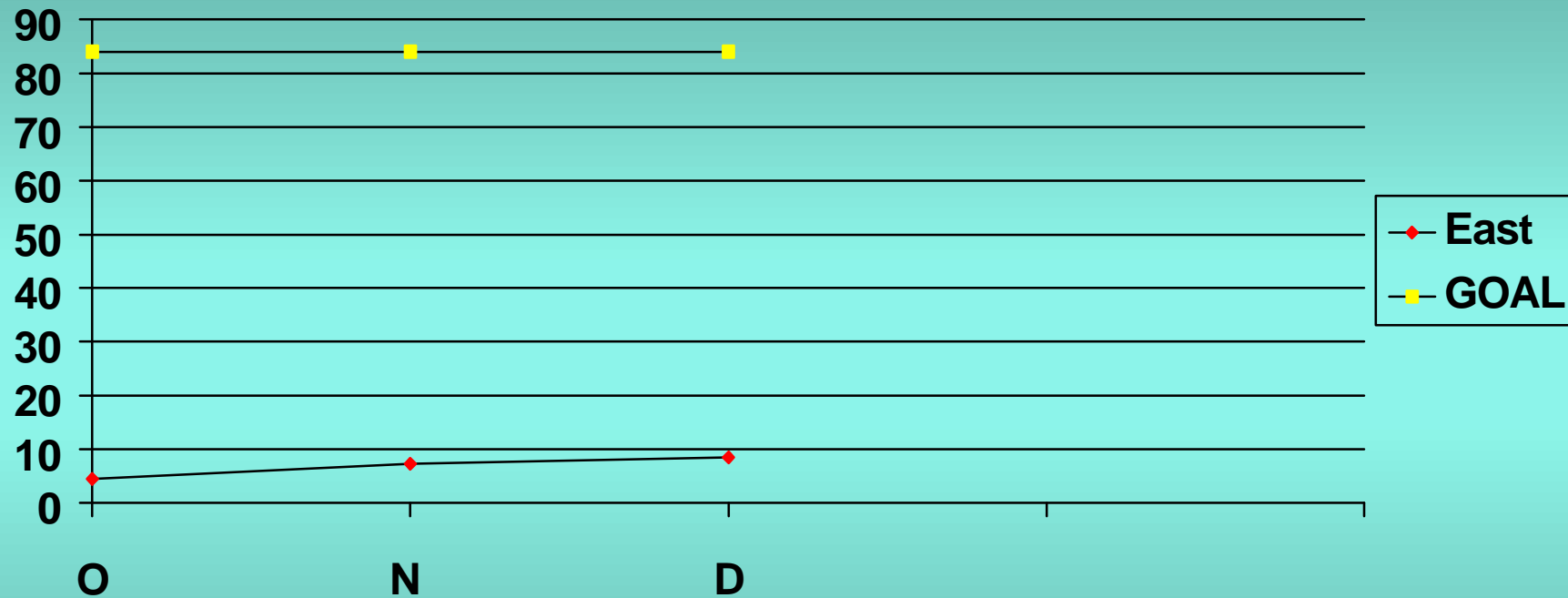
DCMDE Improvement Plan

- **Participate in a series of reviews to the top five CAOs within DCMDE**
- **Evaluate the 1558 Overhead Database**
- **Identify the problems at the particular CAO which are hindering settlement of overhead rates**
- **Identify necessary process improvements**
- **Open lines of communication in order to share the best practices that have been derived from the visits to the CAOs**
- **Work on the fielding of the Automated Metrics Program**

DCMDE

RIGHT TALENT

EMPLOYEE TRAINING HOURS



	OCT	NOV	DEC
PLAS HRS	34167	18027	8966
PERS	7569	7393	7397
HR/PP	4.5	2.8	1.2
CUM HRS/PP	4.5	7.3	8.5

DCMDE

RIGHT TALENT TRAINING HOURS TRAINING HOURS/EMPLOYEE

STATUS:  **RED**

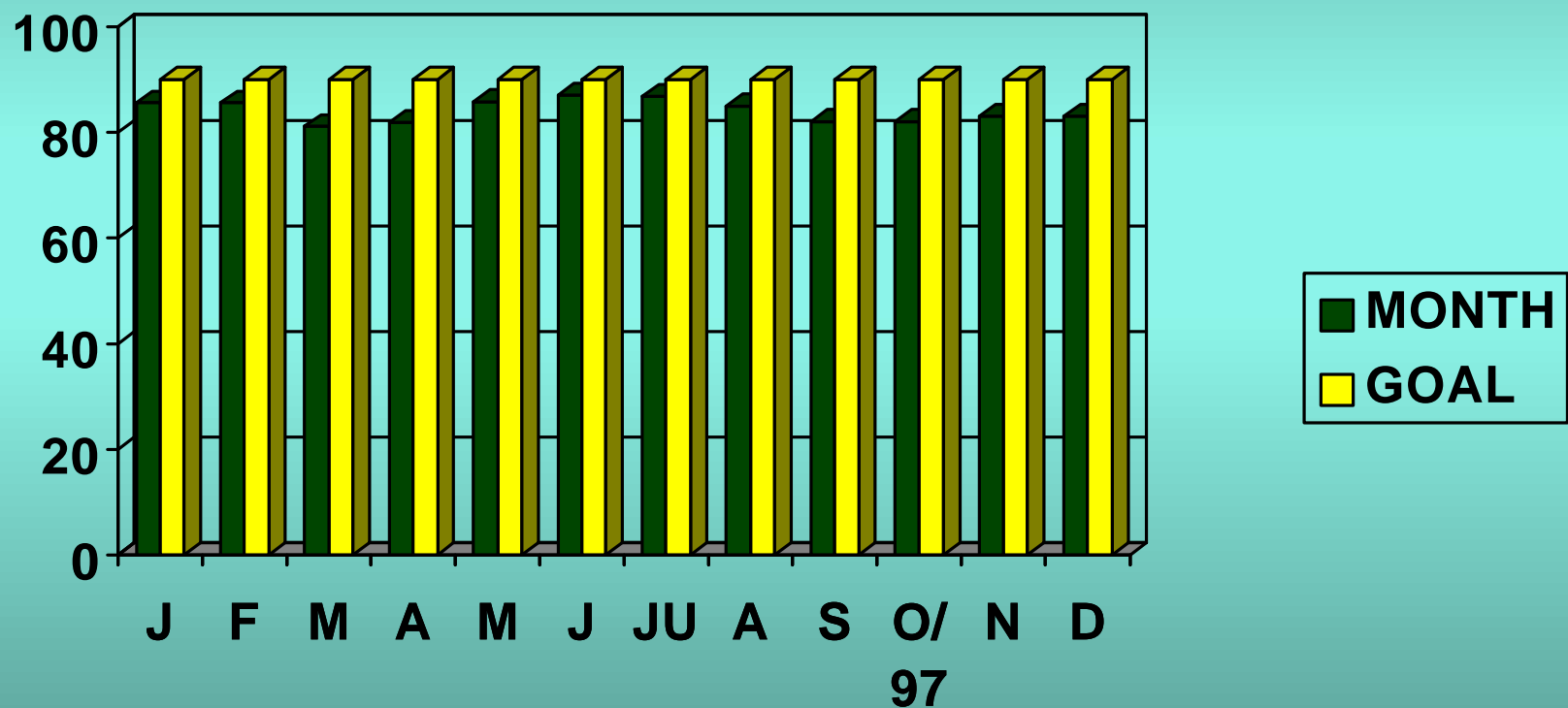
FY97 GOAL: 84 HRS/YR OR 7 HRS/MON

- **CAUSE**

- FY 96 ALLOCATED \$8.5M APPROXIMATELY 65 HRS/PP (DID NOT REACH GOAL)
- FY97 REQUESTED \$12M (WOULD REACH GOAL), ALLOCATED \$6.5M APPROXIMATELY 45 HRS/PP
- BUDGET IS BEING REDUCED TO \$5.0M, WHICH WILL CAUSE A REDUCTION OF 116 DAU COURSES, 853 SPACES. THIS WILL CAUSE A REDUCTION OF 9.5 HRS/PP, 35.5 HRS/PP FOR THE FISCAL YEAR.

DCMDE

RIGHT TALENT DAWIA CERTIFICATION



DCMDE

RIGHT TALENT

A. DAWIA CERTIFICATION

#CERTIFIED/TOTAL EMPLOYEES

STATUS:  RED

FY97 GOAL: 90% CERTIFIED

- DCMC GRUMMAN MELBOURNE 51%
- DCMC PRATT & WHITNEY WEST PALM 62%
- DCMC GRUMMAN ST. AUGUSTINE 70%
- DCMC LOCKHEED MARTIN MARIETTA 71%
- DCMC SIKORSKY 71%
- DCMC LOCKHEED MARTIN ORLANDO 71%
- DCMC BALTIMORE 72%
- DCMC ALLIED SIGNAL 73%
- DCMC LOCKHEED MARTIN SANDERS 74%
- DCMC WESTINGHOUSE BALTIMORE 75%

DCMDE

RIGHT TALENT

A. DAWIA CERTIFICATION

#CERTIFIED/TOTAL EMPLOYEES

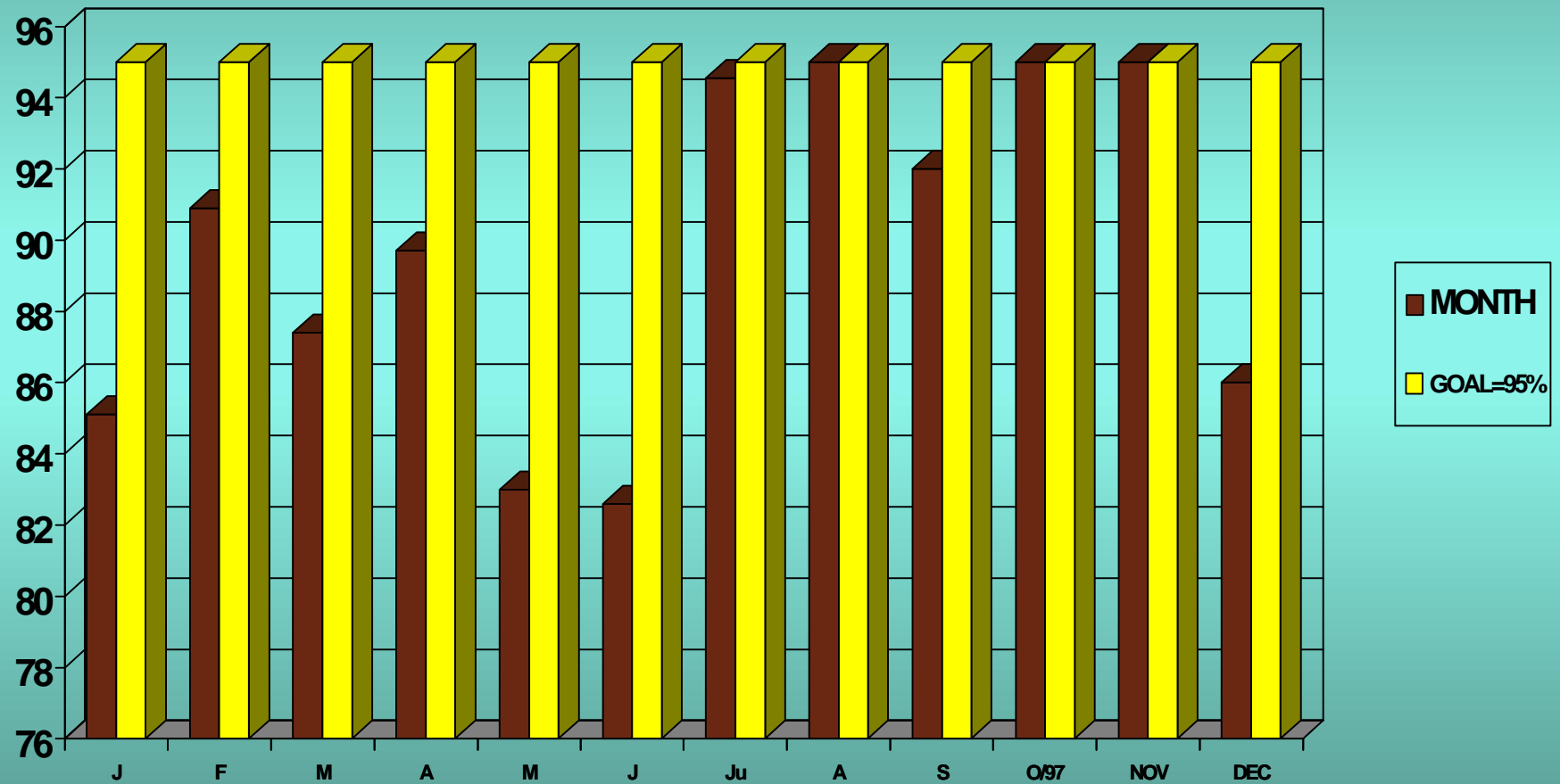
STATUS:  RED

FY97 GOAL: 90% CERTIFIED

- Surveyed all CAOs to identify reasons for non-certification on 2/13/97
- Analyze data and Identify root causes by 2/21/97
 - oo Education
 - oo Training
 - oo Experience
- Apply Limited Funds

DCMDE

RIGHT TALENT DAU USAGE



DCMDE

Right Talent C. Training Quota Usage

STATUS:



GREEN

FY97 GOAL: 95%

DCMDE Improvement Plan

CAUSE:

- ATTRS sheet not submitted for substitutes
- Lack of prerequisite courses
- Miscommunication, administrative oversight, personal, etc.

CORRECTIVE ACTION:

- A letter was forwarded to each CAO explaining the ATTRS System
- Encouraged all CAOs to utilize the Fulfillment process, in addition to cleansing the DBMS TA System to ensure all requirements are accurate.
- Continue to maintain lines of communication with CAO Training Coordinators to monitor causes and initiate procedural guidance.
- Implemented Internal Course Management Procedure

DCMDE

UNRECONCILABLE CONTRACTS

STATUS:  RED

FY97 Goal: Close By APR 97

<u>CAO</u>	<u># Contracts</u>	<u>Closed</u>	<u>Balance</u>
DCMC Baltimore	6	4	2
DCMC Detroit	1	0	1
DCMC Indianapolis	4	3	1
DCMC Lockheed Sanders	1	1	0
DCMC LM Del Valley	3	1	2
DCMC Pittsburgh	2	0	2
DCMC Raytheon	2	2	0
DCMC Reading	1	0	1
DCMC Springfield	4	1	3
DCMC Stratford	2	2	0
DCMC Syracuse	1	1	0
Totals	27	15	12

Special Topic

130

DCMDE

UNRECONCILABLE CONTRACTS

STATUS:  RED

FY97 Goal: Close By APR 97

•DCMC BALTIMORE: Contract N61339-90-0038

- Copy of Contract received from Ktr on 1/27/97.
- DFAS has identified discrepancies. ACO & PCO to discuss and resolve open issues.
- Obligation Audit in process. Expected to be completed by 2/28/97
- ECD: JUNE 1997

•DCMC DETROIT Contract DAAE07-85-C-A043

- Review of 130 payment folders indicated 150+ missing modifications. ACO has furnished all but 3 modifications to DFAS.
- Obligation Audit is expected to be completed by 4/28/97. If Disbursement Audit is required, DFAS estimates it will take 1 year to complete.
- ECD: > JUNE 1997



Performance Improvement

Dec 96 data

DCMDE

1997 Business Plan - Performance Goals	East
• (1.1.1) Continually improve process to help customers craft better contracts and make better contractor selections (EARLY CAS)	Yellow
• (1.2.1) Increase the percentage of items (source inspected) conforming to product specifications	Yellow
• (1.2.2) Improve by 5% over the FY 96 baseline, the number of contract line items delivered to the original delivery schedule	N/R
• (1.2.3) Increase overall DCMC ROI by 10% over the FY 96 baseline	Green
• (1.3.1) Continually improve all facets of the contract close-out process (Targets=Less than 5%/20% overage contracts for those with/without canceling funds respectively)	Yellow
• (2.1.1) Incrementally expand JLC Acquisition Pollution Prevention Initiative to additional contractor sites	Green
• (2.1.2) Establish, maintain, and improve dynamic surveillance process that senses and satisfies customer needs (DELIVERY DELINQUENCIES)	Yellow
• (2.1.3) Continue to identify/define and implement actions necessary to ensure that DCMC is positioned to remain a key player in the DoD acquisition process in the 21st century	N/A
• (2.1.4) Improve the effectiveness and efficiency of all our communication efforts (INTRA-DCMC COMMUNICATIONS)	Green
• (2.1.5) Continually improve/enhance organization & processes that deliver quality products/services (INTERNAL PROCESS STANDARDIZATION)	Green



Performance Improvement (Con't)

Dec 96 data

DCMDE

1997 Business Plan - Performance Goals	East
• (2.1.6) Support info technology initiatives by deploying 90% of projects selected in the IRM plan on schedule (INFORMATION TECHNOLOGY INITIATIVES)	Green
• (2.1.7) Develop/deploy small quantity of outcome-oriented performance measures which best portray performance of core processes (METRICS)	Green
• (2.1.8) Package DCMC-wide data for the customer in a comprehensive, timely, and user-friendly manner (PACKAGING DCMC DATA)	Green
• (2.2.1) Use the results of Performance Based Staffing Assessment to better structure and utilize the workforce	Green
• (2.3.1) Improve mission and support processes by conducting management control reviews and annual USA; incorporate areas for improvement into planning process	Green
• (2.3.2) Assess organizational performance through the accomplishment of 30 IOAs during FY 97	Green
• (2.3.3) Continue benchmarking projects that were started during FY 96	Green
• (2.3.4) Explore the use of Alternate Oversight approaches and other methods to enhance operational efficiency at various CAO locations	Green
• (2.3.5) Refine internal assessment (INTERNAL ASSESSMENT)	NA
• (3.1.1) Reduce facilities costs - bring footage ² of office space into compliance w/ DLA standard - move offices from leased space into DoD space	Green
• (3.1.2) Reduce number of high grade positions (14/15/SES) by 4% DCMC-wide	Green



Performance Improvement (Con't)


Dec 96 data

DCMDE

1997 Business Plan - Performance Goals	East
• (3.1.3) Increase civilian supervisory ratio to 13:1	Green
• (3.1.4) Prepare for DBOF (DBOF CHALLENGE)	NA
• (3.2.1) Develop and implement an integrated management system	Green
• (3.3.1) Improve elements of the work environment that enhance employees' well being, satisfaction, and productivity	Green
• (4.1.1) Maintain overall customer satisfaction level greater than 4.0 (1-6 scale) across ACAT PMs/PCOs and Commodity Managers/PCOs	Green
• (4.1.2) Field activities continue to solicit customer satisfaction information via Trailer Cards	Green
• (4.2.1) Increase FEDCAS reimbursable hours to 159,053 by close of FY 97	Green
• (5.1.1) Establish, maintain, and improve a strategic workforce development system that addresses current and future skills needed to satisfy customer requirements (WORKFORCE SKILLS)	Red
• (5.2.1) Increase the percent of eligible organizations having partnership agreements and/or partnership councils	Green

Performance Task 1.1.1.4

Perform formal software process assessments DCMC-wide

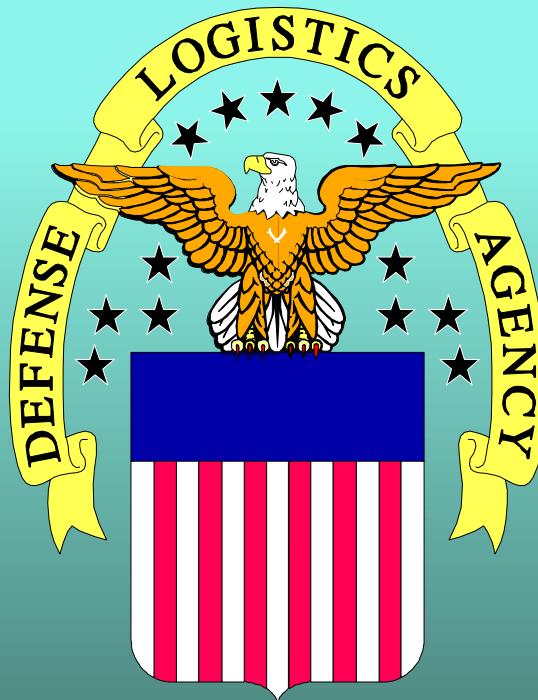
Status:  **YELLOW** **FY97 GOAL: 25 Assessments**

- **One software Capability Evaluation (SCE) performed (Wayne Wall, DCMC Syracuse - Team Leader)**
- **Seven SCEs planned.**
- **Marketing DCMC services currently performed by AQOF.**
- **The Software Center will take the responsibility of this task once established.**

DCMC

Monthly Management Review

Head Quarters





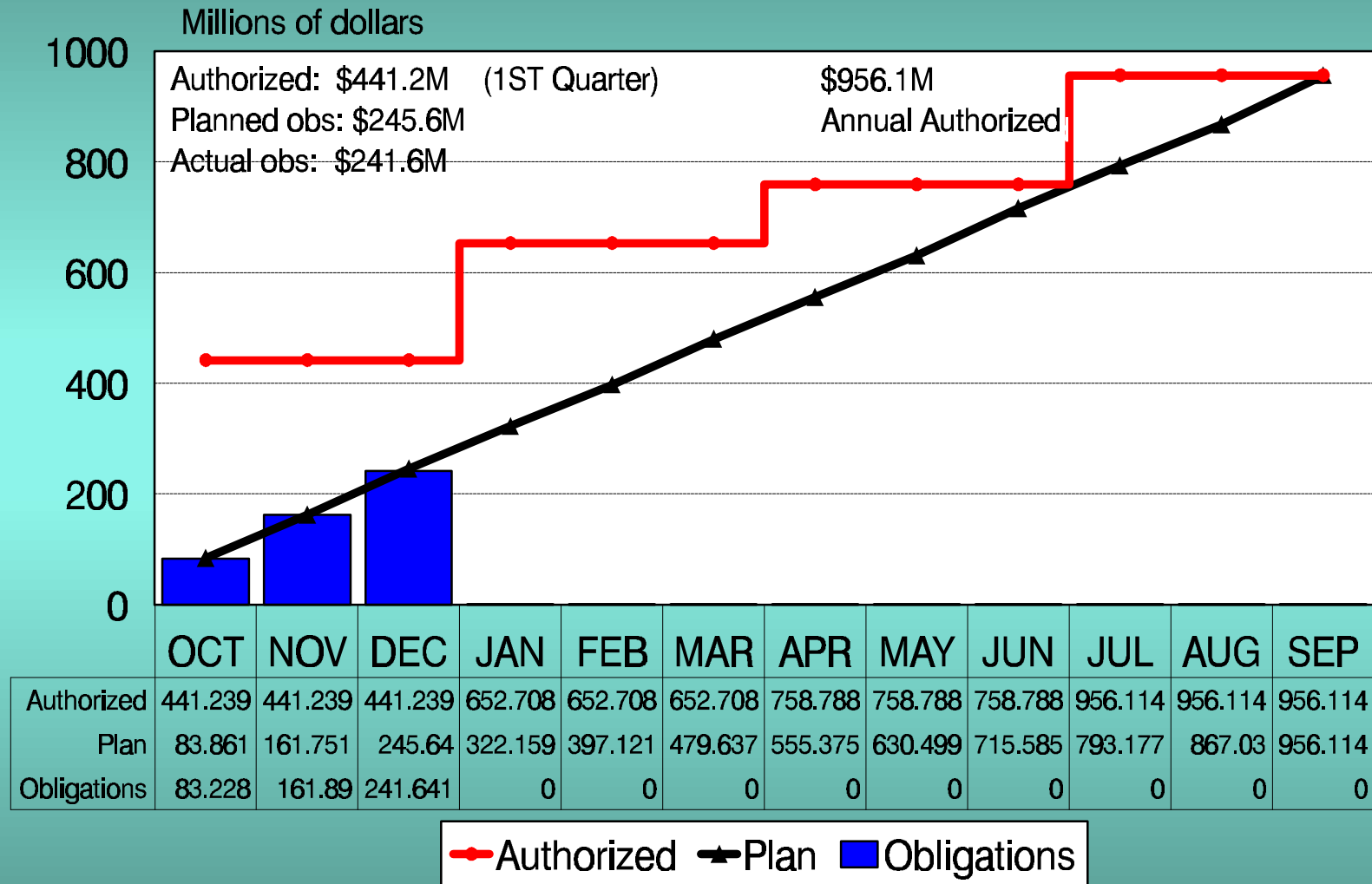
Resource Management

Recommended Ratings

Business Performance Metric	DCMC	East	West	Int'l
• Budget Execution				
• Total	Red	Green	Red	Red
• Direct	Red	Green	Red	Red
• Reimbursable	Red	Red	Red	Red
• Personnel				
• Full Time Equivalent (FTE) Execution	Yellow	Green	Yellow	Red

As of: 31 Dec 96

DCMC FY 97 Total Execution



Obligations/plan: 98.4%



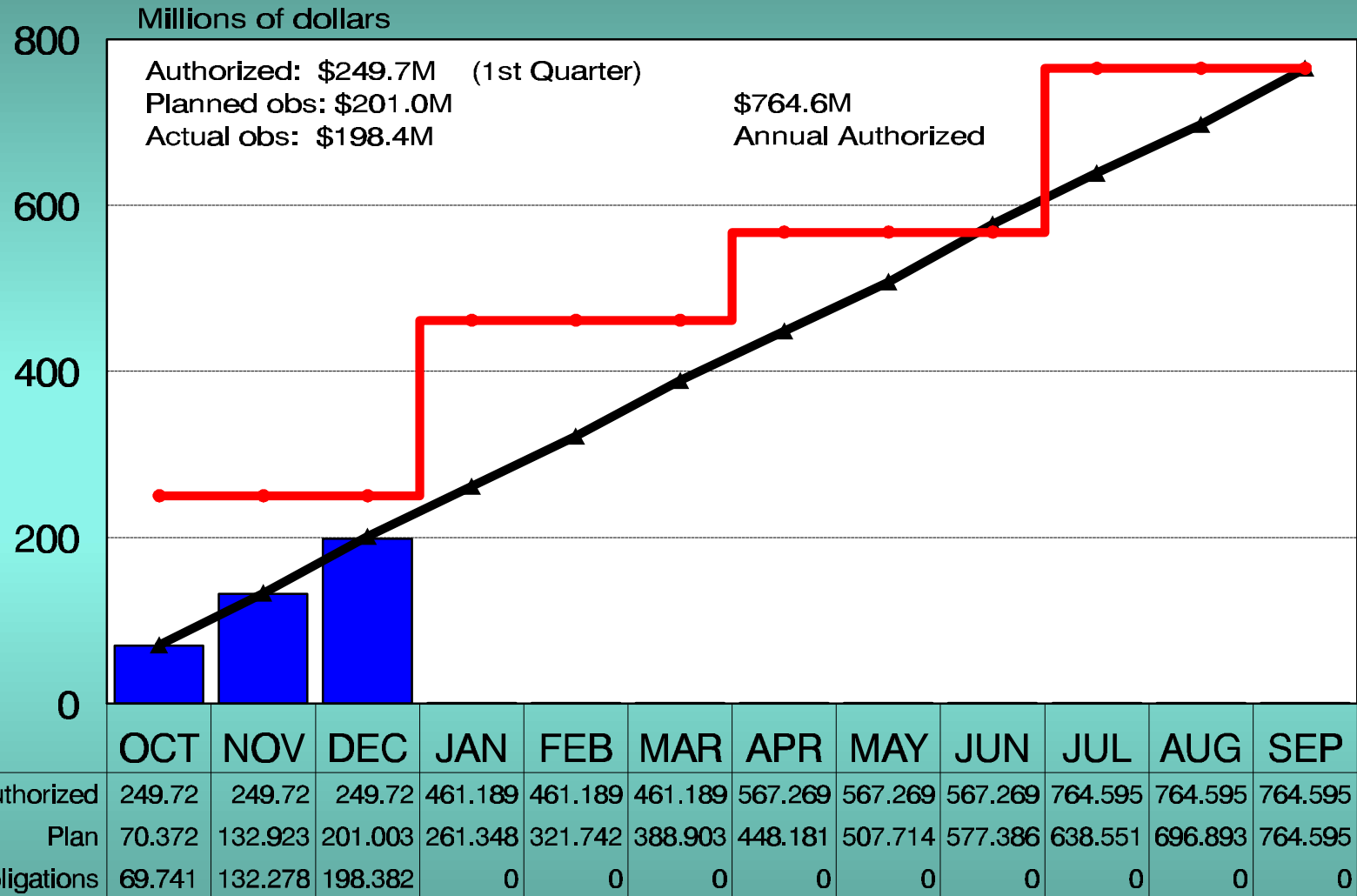
FY 97 Budget Execution

DCMC Summary (As of 31 Dec)

Status: RED

- Comments:
 - Until adjustments are made to District allocations, Monthly Obligation Plans (MOPs) may not be realistic
 - Reimbursable earnings continue to require attention
 - Historical data to forecast FMS earnings is not reliable
- Corrective Action:
 - Performance plan goal will be revised to incorporate reengineering of the reimbursable process

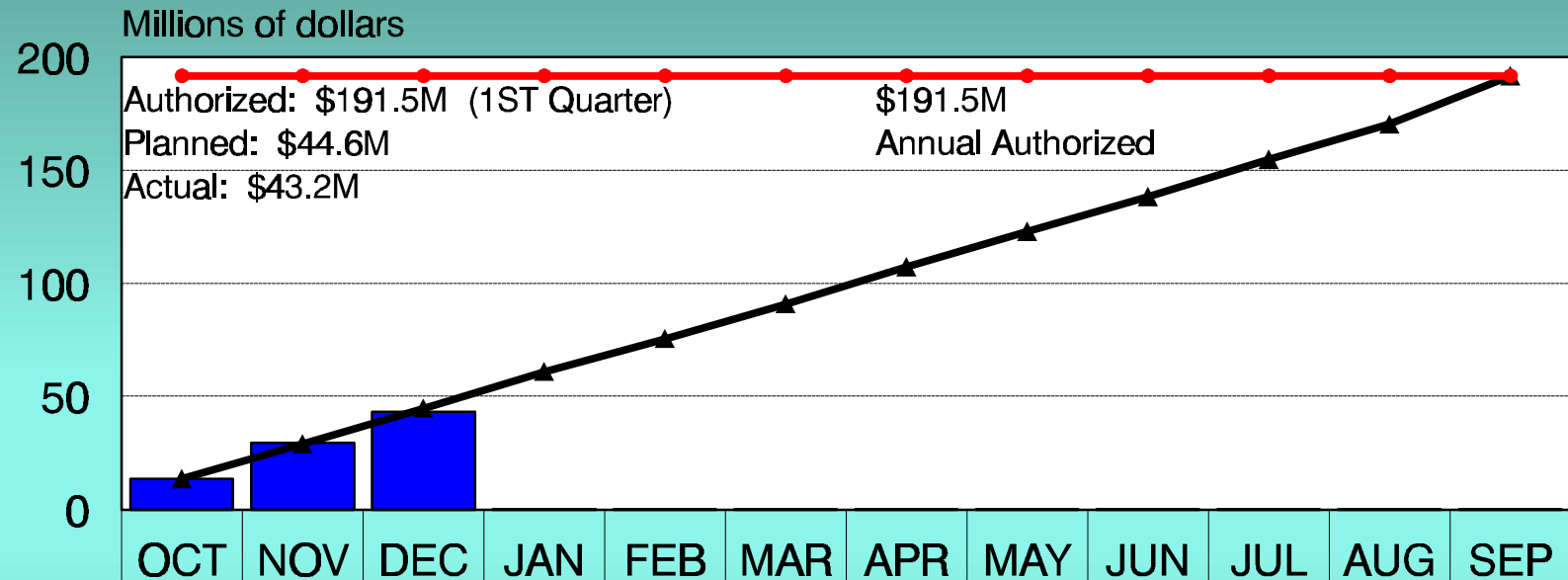
DCMC FY 97 Direct Execution



—●— Authorized —▲— Plan ■ Obligations

Obligations/plan: 98.7%

DCMC FY 97 Reimbursable Execution



Authorized	191.519	191.519	191.519	191.519	191.519	191.519	191.519	191.519	191.519	191.519	191.519	191.519
Plan	13.489	28.828	44.637	60.811	75.379	90.734	107.194	122.785	138.199	154.626	170.137	191.519
Earnings	13.487	29.612	43.259	0	0	0	0	0	0	0	0	0

—●— Authorized
 —▲— Plan
 ■ Earnings

Earnings/plan: 97%



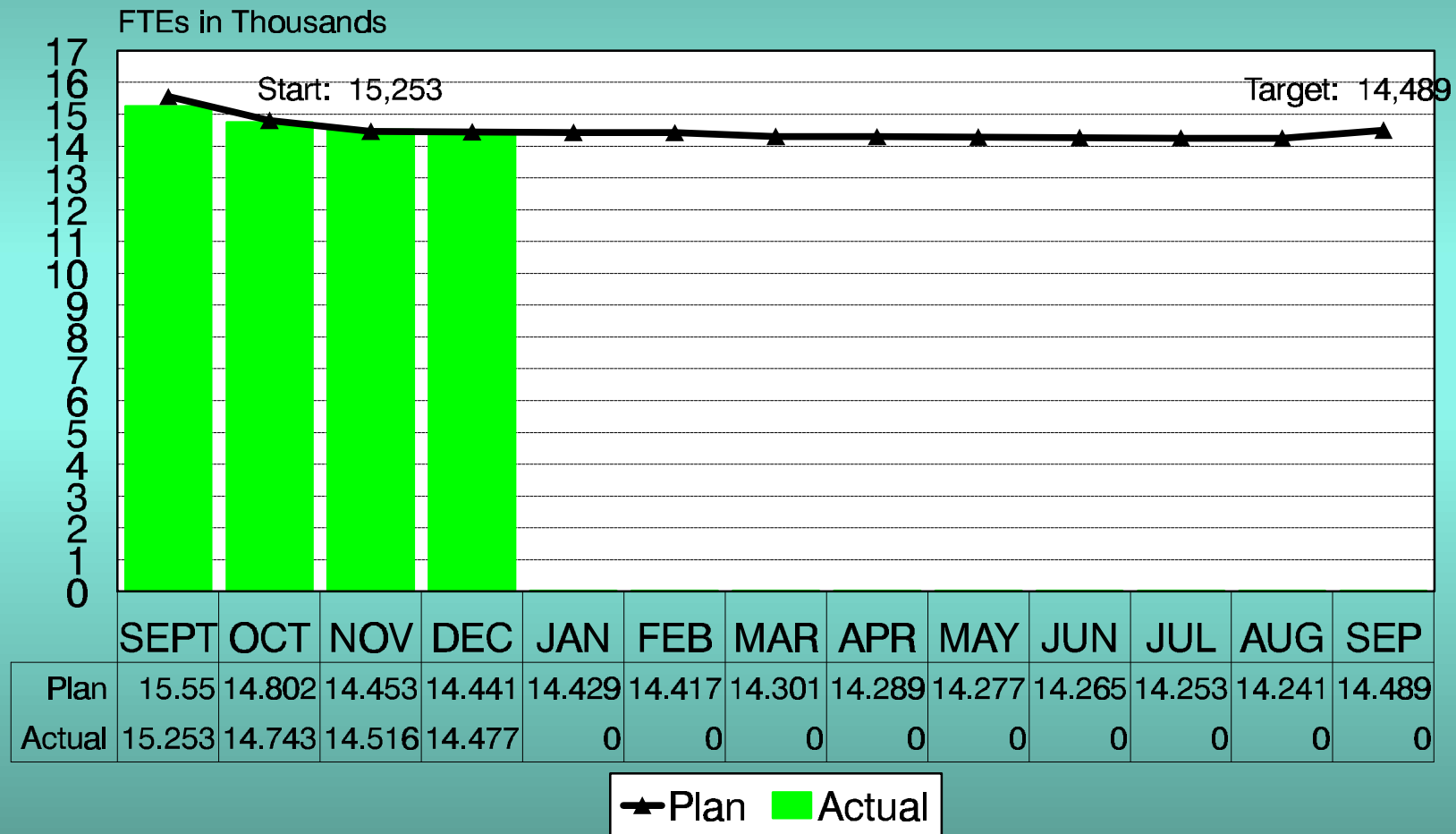
FY 97 Budget Execution

DCMC Reimbursables (As of 31 Dec)

Status: RED

- Comments:
 - Actual to plan is \$1.4M (3.1%) under budget
 - Direct funding requirements may increase if reimbursables do not materialize
 - FMS forecasts need attention
- Corrective Action:
 - Continue to monitor execution during BPT meetings
 - Identify FMS “leading” indicators as part of reengineering process
 - Continue to emphasize accurate, timely reporting

DCMC FY 97 FTE Execution



Actual/Plan: 100%



FY 97 FTE Execution

DCMC Summary (As of 31 Dec)

Status: YELLOW

- Comments:
 - Execution of VERA/VSIP in early FY 97 will force aggressive hiring plans during remainder of FY
 - Each undistributed or underexecuted FTE = 1.72 additional endstrengths by March 1st
- Corrective Action:
 - Actuals contained in FTE Projection Worksheets and MOPs will continue to be closely monitored during BPT/RUC/MMR reviews
 - Recommendations on undistributed FTEs will be presented to RUC on March 12th



Mission Performance

Performance Metric	DCMC	East	West	Int'l
1. Right Item - Conforming Items (3.7.1.3)	NR	NR	NR	NR
• Design Defects (3.10.1 and 3.10.1.1)	Yellow	Yellow	Yellow	Green
• Packaging Discrepancies (3.4.1)	4Q 97	NR	NR	NR
• Adopted Software Recommendations (3.10.1.6)	Yellow	Yellow	Yellow	Green
2. Right Time - On Time Contractor Delivery (3.7.1)	3Q 97	NR	NR	NR
• Customer Priority List (CPL) Coverage (3.7.2)	Green	Green	Green	Green
• Engineering Change Cycle Time (3.10.2.2)	Apr 97	Yellow	Yellow	Green
• Schedule Slippage's on Major Programs (3.12.2.1)	Jun 97	NR	NR	NR
• Shipping Document Cycle Time (3.5.2)	2Q 97	NR	NR	NR
3. Right Price - Cost Savings and Avoidances (1.4.1)	Green	NR	NR	NR
• ROA on Property from Plant Clearance (4.3.1)	Green	Green	Green	Green
• Negotiation Cycle Time (2.2.2)	Apr 97	NR	NR	Yellow
• UCA Definitization (2.2.2.1)	Red	Yellow	Red	Yellow
• Forward Pricing Rate Agreement (FPRA) Coverage (2.2.1.1)	Green	Green	Green	Green
• Open Overhead Negotiations (4.4.1)	Red	Yellow	Red	Green
• Cost Overruns on Major Programs (3.12.1.4)	Jun 97	NR	NR	NR
• \$ Value of Lost/Damaged/Destroyed Government Property (3.2.1)	Green	Green	Green	Green
4. Right Advice - Participation in ASPs and RFP Reviews (1.2.3)	Green	Green	Green	Green
• Repeat Requests for Early CAS (1.2.3.1)	Green	Green	Green	Green



Mission Performance (Con't)

Performance Metric	DCMC	East	West	Int'l
• % Contractors on Contractor Alert List (CAL) (2.1.1.2)	3Q 97	NR	NR	NR
• Single Process Implementation (1.2.4)	Green	Green	Green	Green
• Preaward Survey Timeliness (2.1.2)	Green	Green	Green	Green
• Amount of DoD Property (3.2.1.1)	Green	NR	NR	NR
• Excess Property (3.2.1.2)	Green	Green	Green	Green
• Delay Forecast Coverage (3.7.1.1)	Jun 97	NR	NR	NR
• Delay Forecast Timeliness (3.7.2.1)	Jun 97	NR	NR	NR
• Delay Forecast Accuracy (3.7.1.2)	Jun 97	NR	NR	NR
5. Right Reception - Customer Satisfaction (3.11.1.1)	Green	Green	Green	Green
• Service Standards (1.3.1)	2Q 97	NR	NR	NR
• Trailer Cards (3.11.1.2)	Green	Green	Green	Green
6. Right Efficiency - Contracts per FTE (1.1.8)	Green	NR	NR	NR
• Contract Closeout (4.2.2.2)	Green	Green	Green	Green
• Canceling Funds (TBD)	Mar 97	NR	NR	NR
• Termination Actions (4.1.2)	Mar 97	NR	NR	NR
7. Right Talent - Training Hours (1.8.1)	Green	Red	Green	Green
• DAWIA Certification (1.8.1.2)	Green	Red	Green	Green
• Course Completion (1.8.1.1)	Green	Green	Green	Green
• Training Quota Usage (1.8.1.3)	Green	Green	Green	Green



Right Item

Status: N/R

- Identify alternate data sources
 - In-the-box ideas
 - Out-the-box ideas
- Advisory Group Established
 - Identify potential data collection/sources
 - Acquisition Reform Round Table
 - Customer representatives
 - User representatives

1.2.1.1-Right Item: Design Defects - (Ws and Ds)

10% Reduction in the # of
Major&Critical Waivers and
Deviations/1k contracts in FY 97.
Reduction from FY96 average.

Yellow- 30 Jan 97

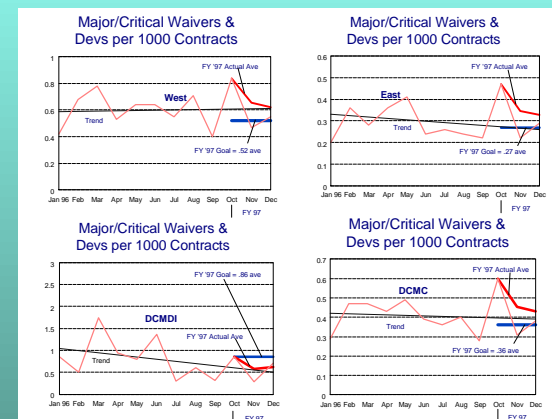
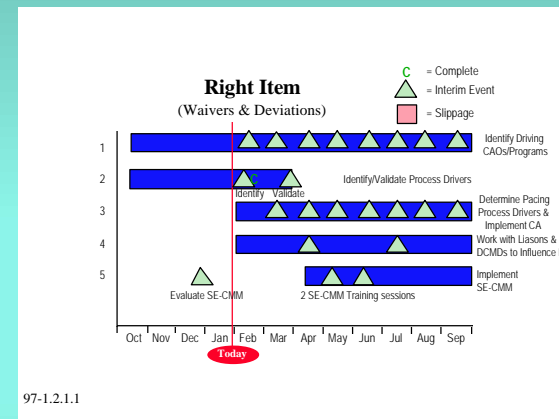
FY 96 Ave: 0.40 -- FY 97 Goal: 0.36

FY 97 Ave: 0.43 (3 Months)

Trend: FY 97 Trend is above goal but
getting better.

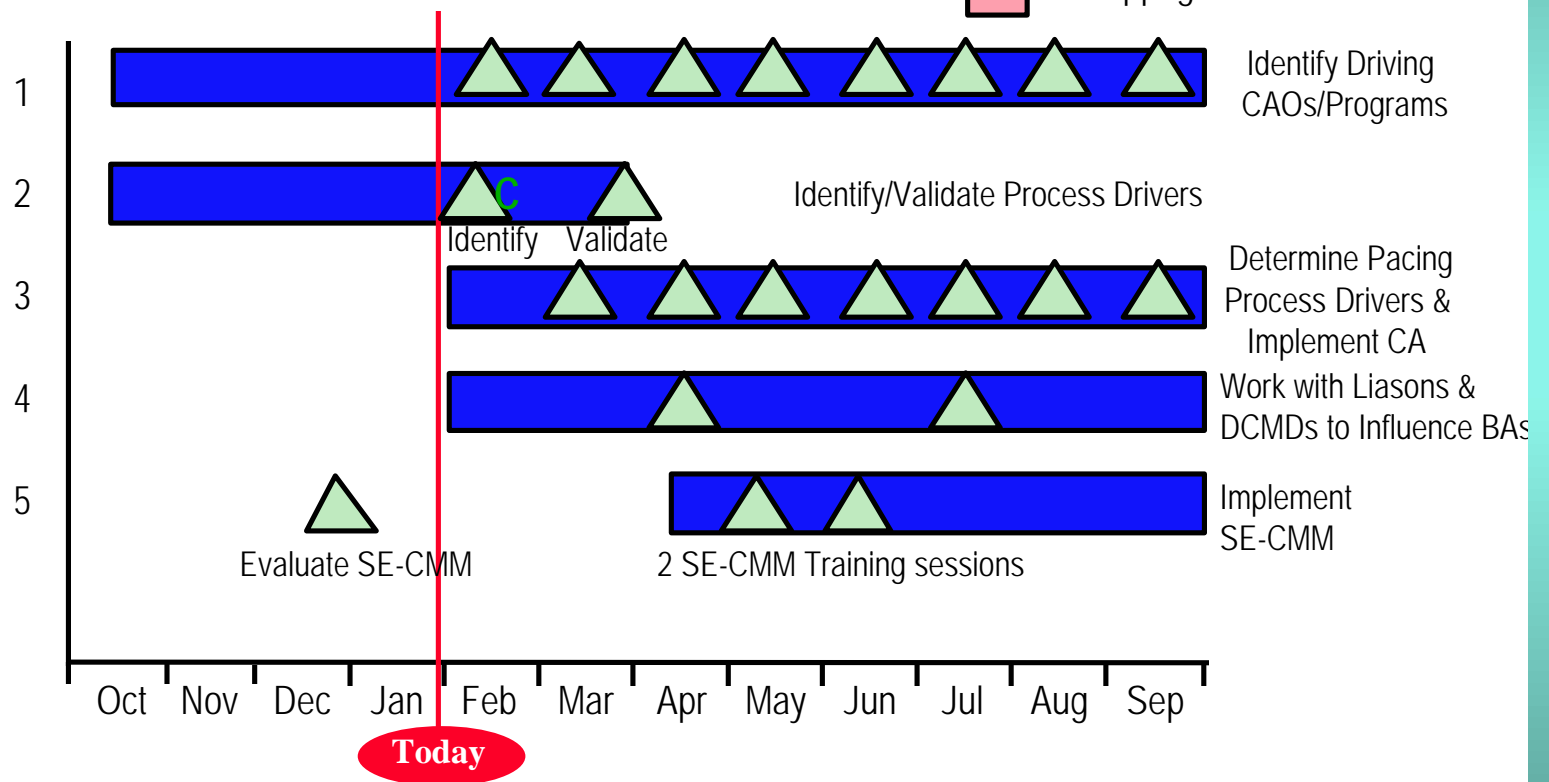
Aristides Maldonado (AQOF), (703) 767-3355

Michael Ferraro (AQOF), (703) 767-3352

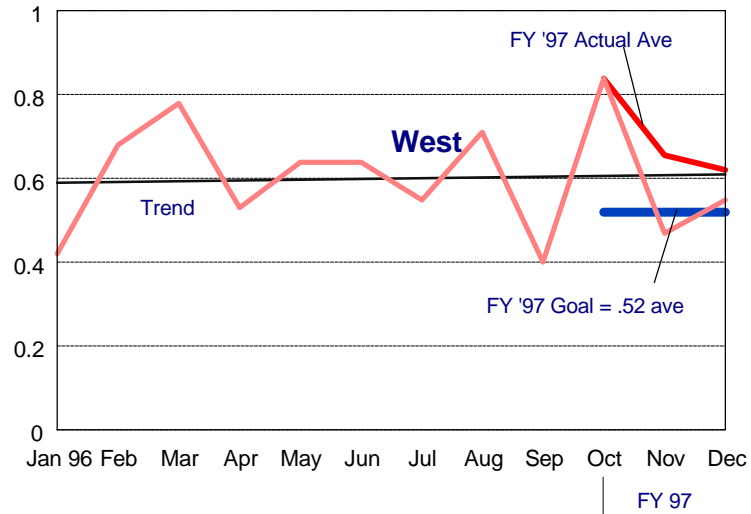


Right Item (Waivers & Deviations)

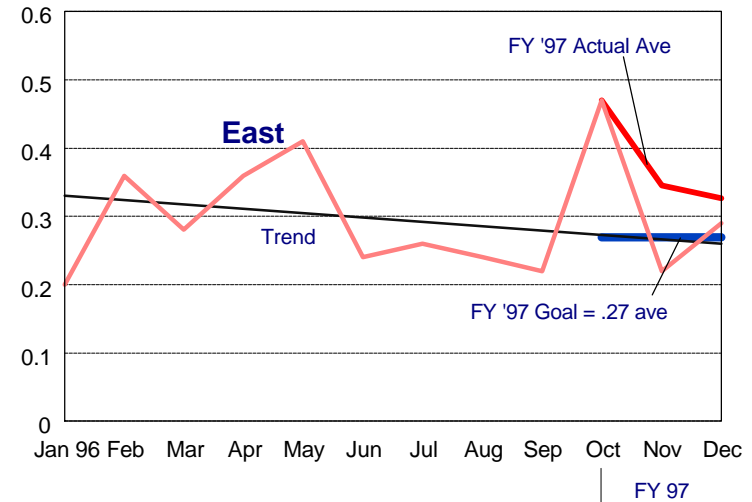
- C = Complete
- △ = Interim Event
- = Slippage



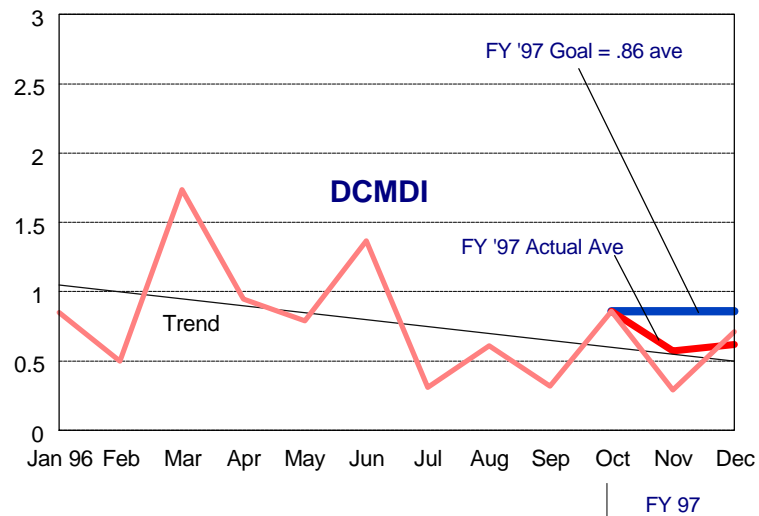
Major/Critical Waivers & Devs per 1000 Contracts



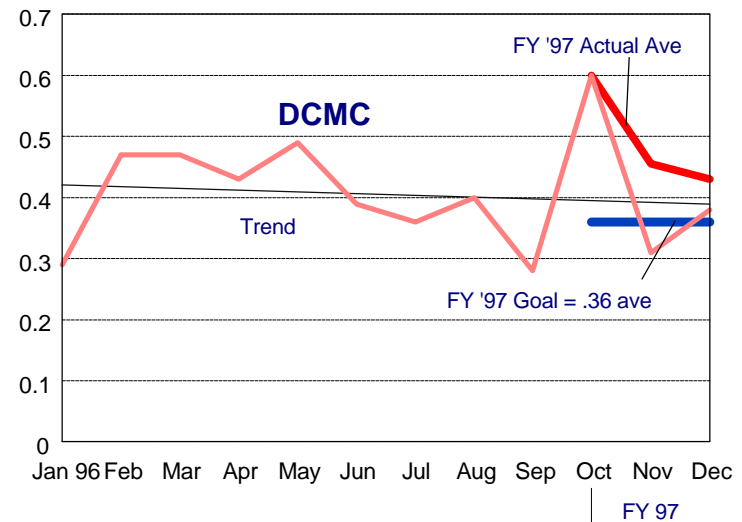
Major/Critical Waivers & Devs per 1000 Contracts



Major/Critical Waivers & Devs per 1000 Contracts



Major/Critical Waivers & Devs per 1000 Contracts



Right Item

Design Defects (# M/C Waivers & Deviations/1K Contracts)

Status: Yellow

- FY 97 Goal: 10% reduction from end of FY96 baseline
 - FY 96 Ave: 0.40 -- FY 97 Goal: 0.36
 - FY 97 Ave: 0.43 (3 months)
- Trend: FY 97 Trend is above goal but getting better

1.2.1.4-Right Item: Software Recommendations Adopted

30 Sep 97: 65% of DCMC software comments are made prior to coding and unit testing phase and 30% of these comments are adopted.

20 Feb 97: Yellow

FY97 Actuals:

Recommendations Made: 56%

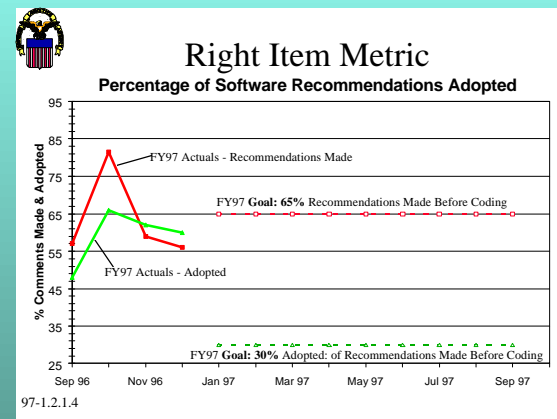
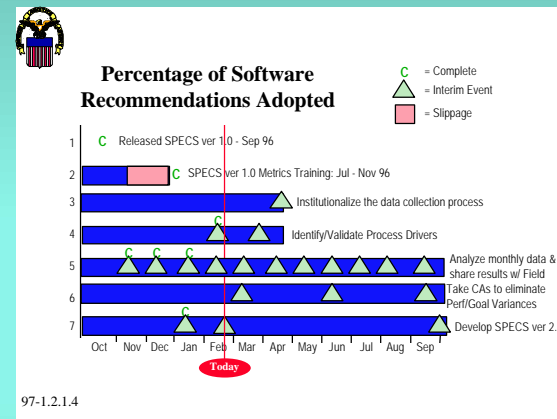
Goal: 65%

Product Design, Development & Control Team, AQOF, Amir TarMohamed, (703) 767-3350.

Alternate: Kvein Holt, (703) 767-3356

Recommendations Adopted: 60%

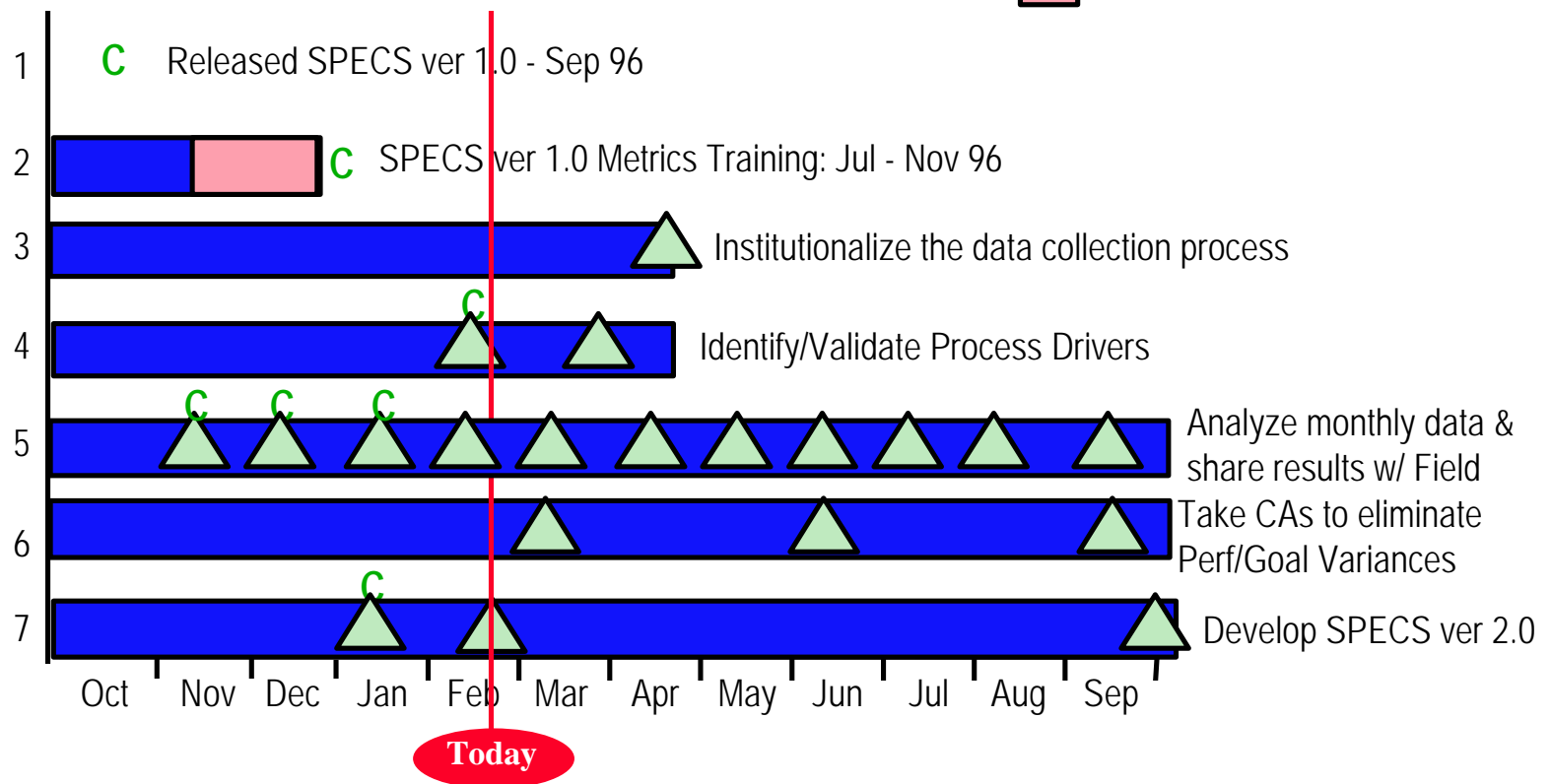
Goal: 30%





Percentage of Software Recommendations Adopted

C = Complete
△ = Interim Event
■ = Slippage

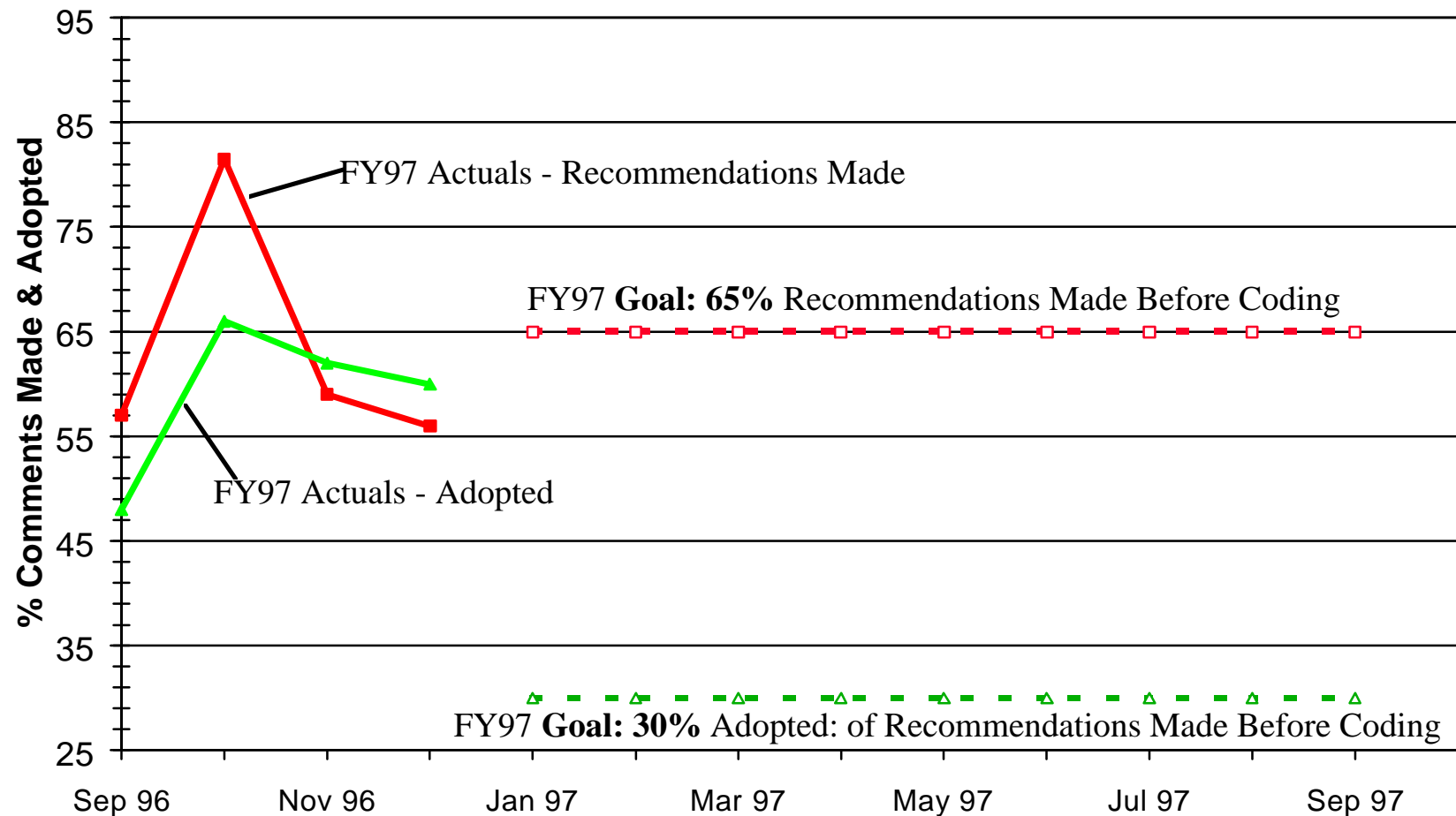


97-1.2.1.4



Right Item Metric

Percentage of Software Recommendations Adopted



97-1.2.1.4



Right Item Metric

Percentage of Software Recommendations Adopted

Status: Yellow

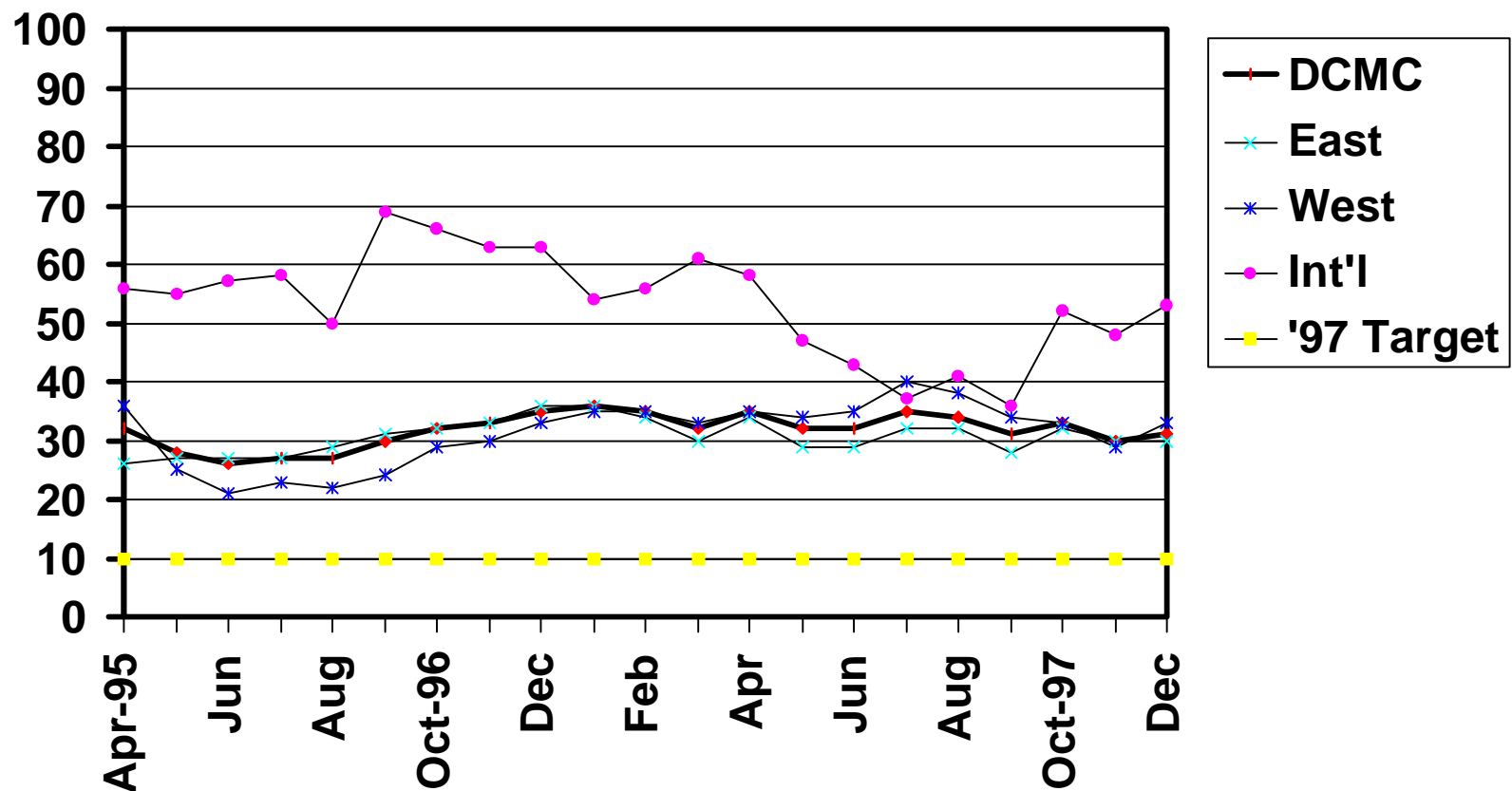
- **Initial release of SPECS was Oct 96**
 - CAOs still in learning curve.
 - Work with individual CAOs that require extra mentoring
 - Update SPECS User Manual
- **Goal of 65% recommendations made prior to Code & Unit Test Phase may be unreasonable for some CAOs**
 - CAOs where the majority of the Contractors' software development efforts are in and beyond Code & Unit Test will not meet metric goal
- **For FY98: Recommend changing metric to measure recommendations made over the entire software life cycle**

97-1.2.1.4



Right Price

Overage UCAs On-Hand
UCAs On-Hand > 180 Days/# UCAs On-Hand





Right Price

Overage UCAs On-Hand

Status: Red

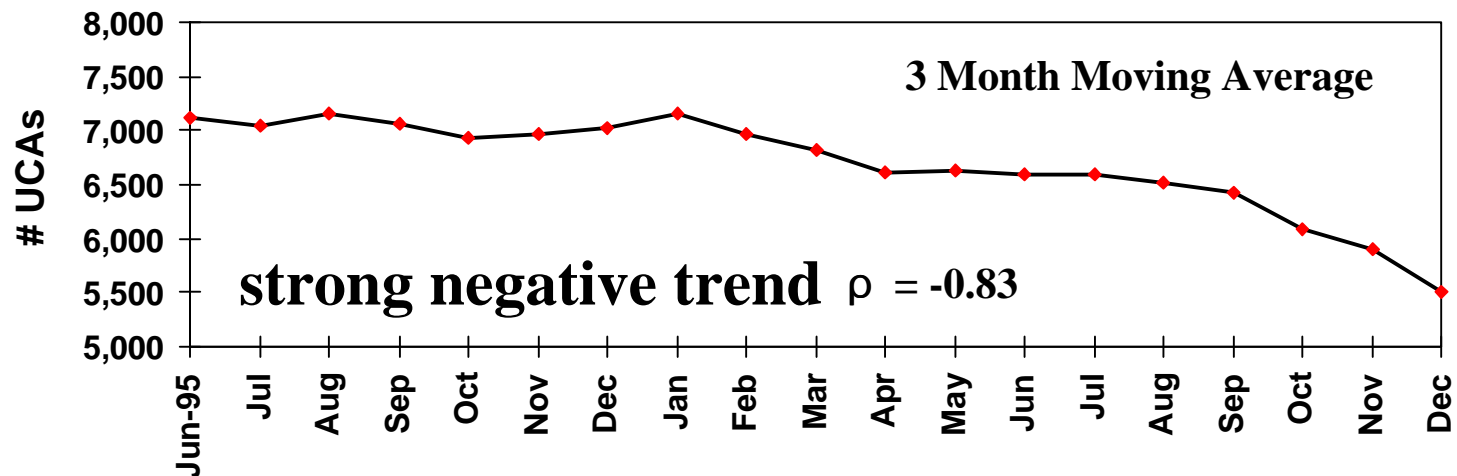
- For Dec, percentage of overage UCAs on-hand popped up 1% to 31%.
 - Number of overage UCAs cut 10% to lowest level (1,580) in 21 months, but,
 - Total number of UCAs on-hand dropped 12% to 5,061 (also a 21 month low).
- Decreasing workload



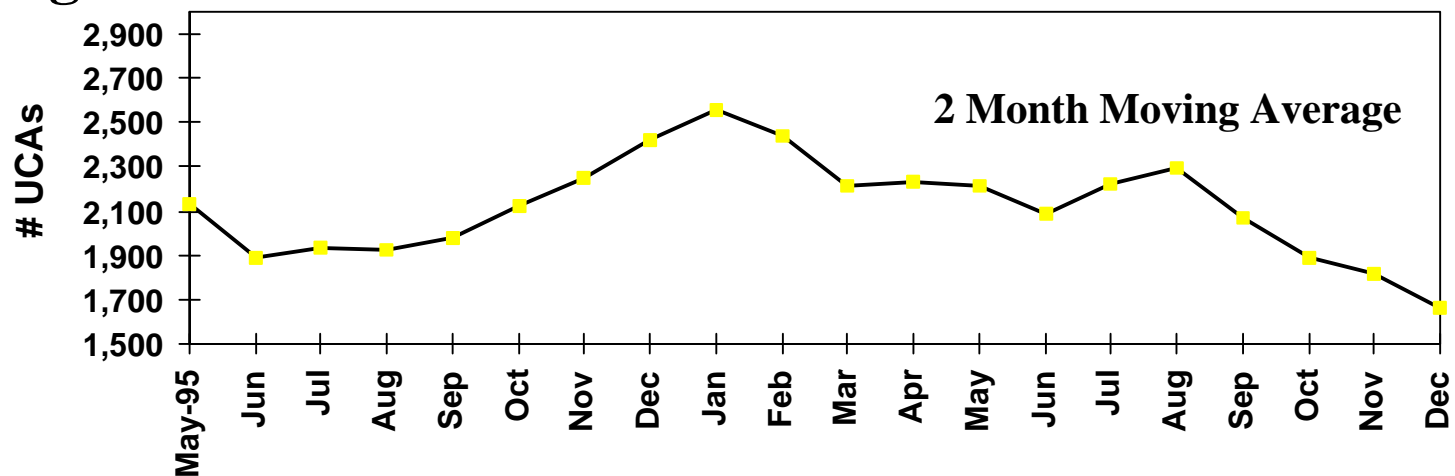
UCA Trends

Last 21 Months

Total UCAs On-Hand



Overage UCAs On-Hand

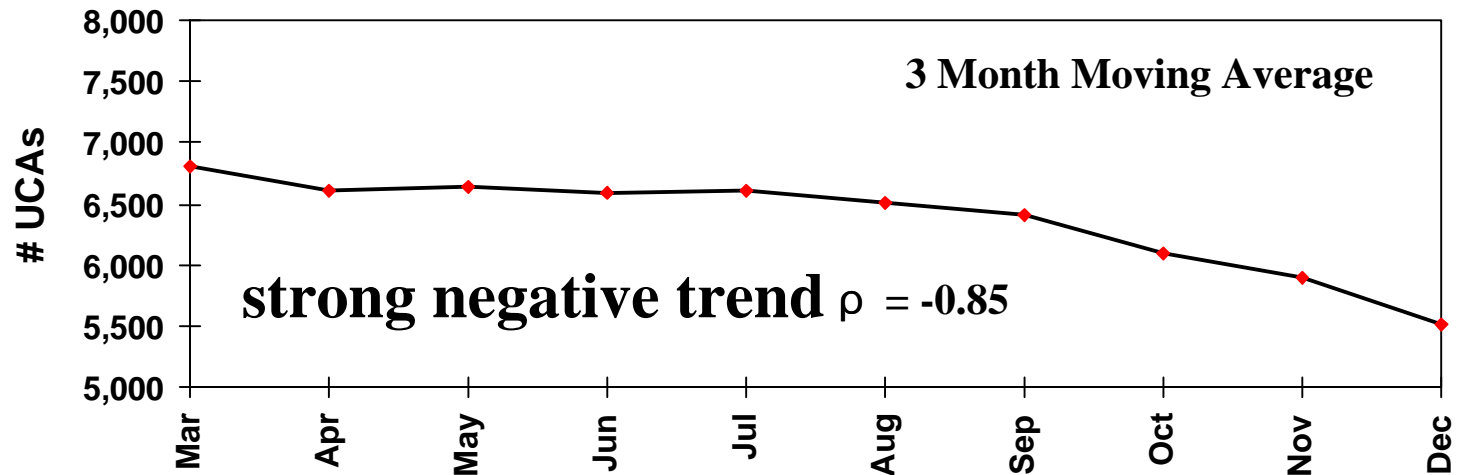




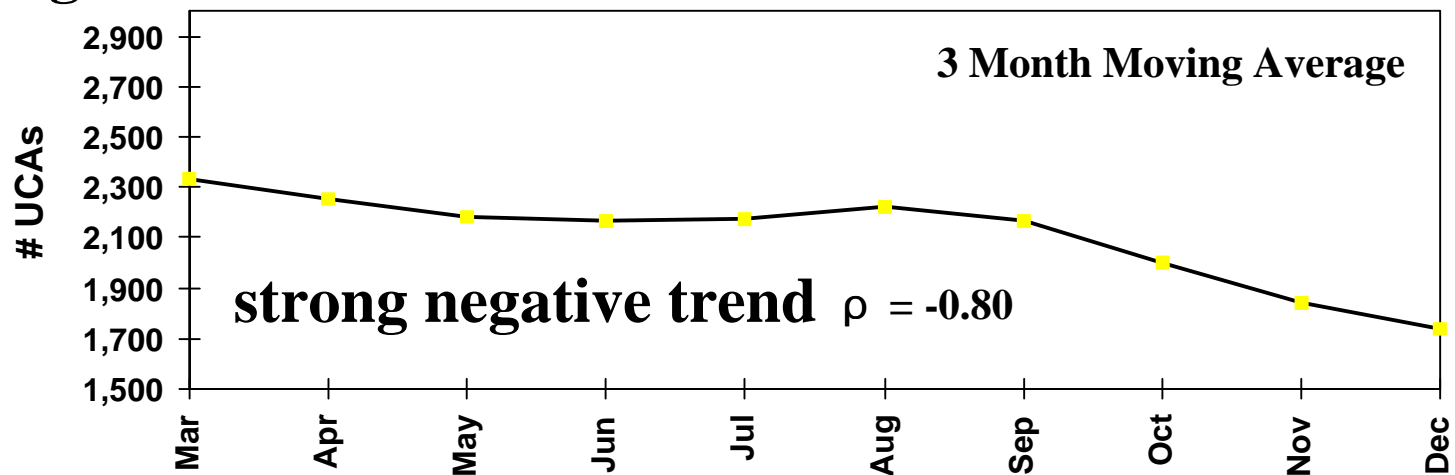
UCA Trends

Last 12 Months

Total UCAs On-Hand



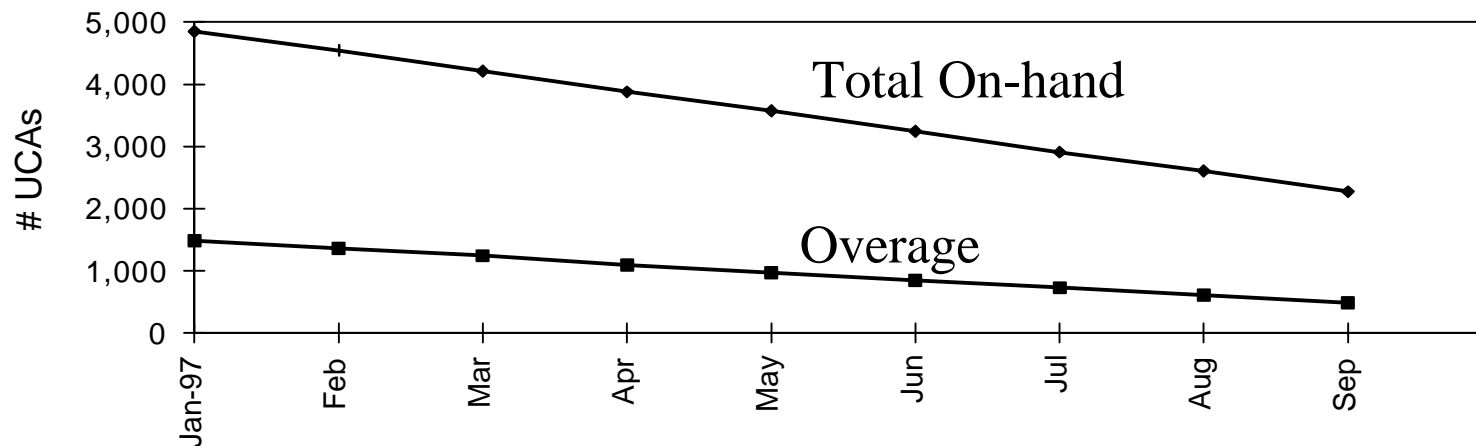
Overage UCAs On-Hand



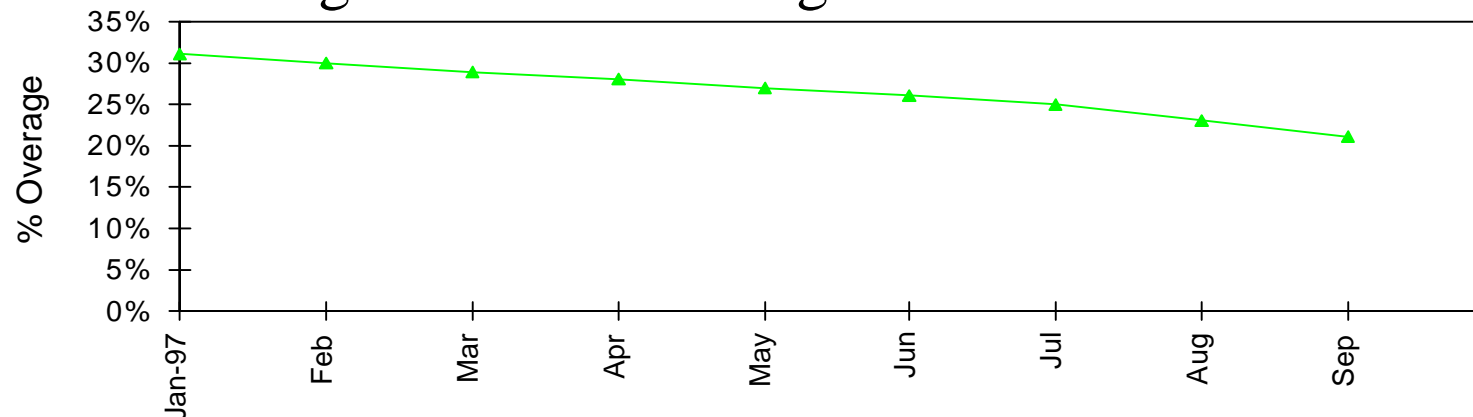


UCA Projections Through FY 97

The Numbers of UCAs



The Percentage of UCAs Overage

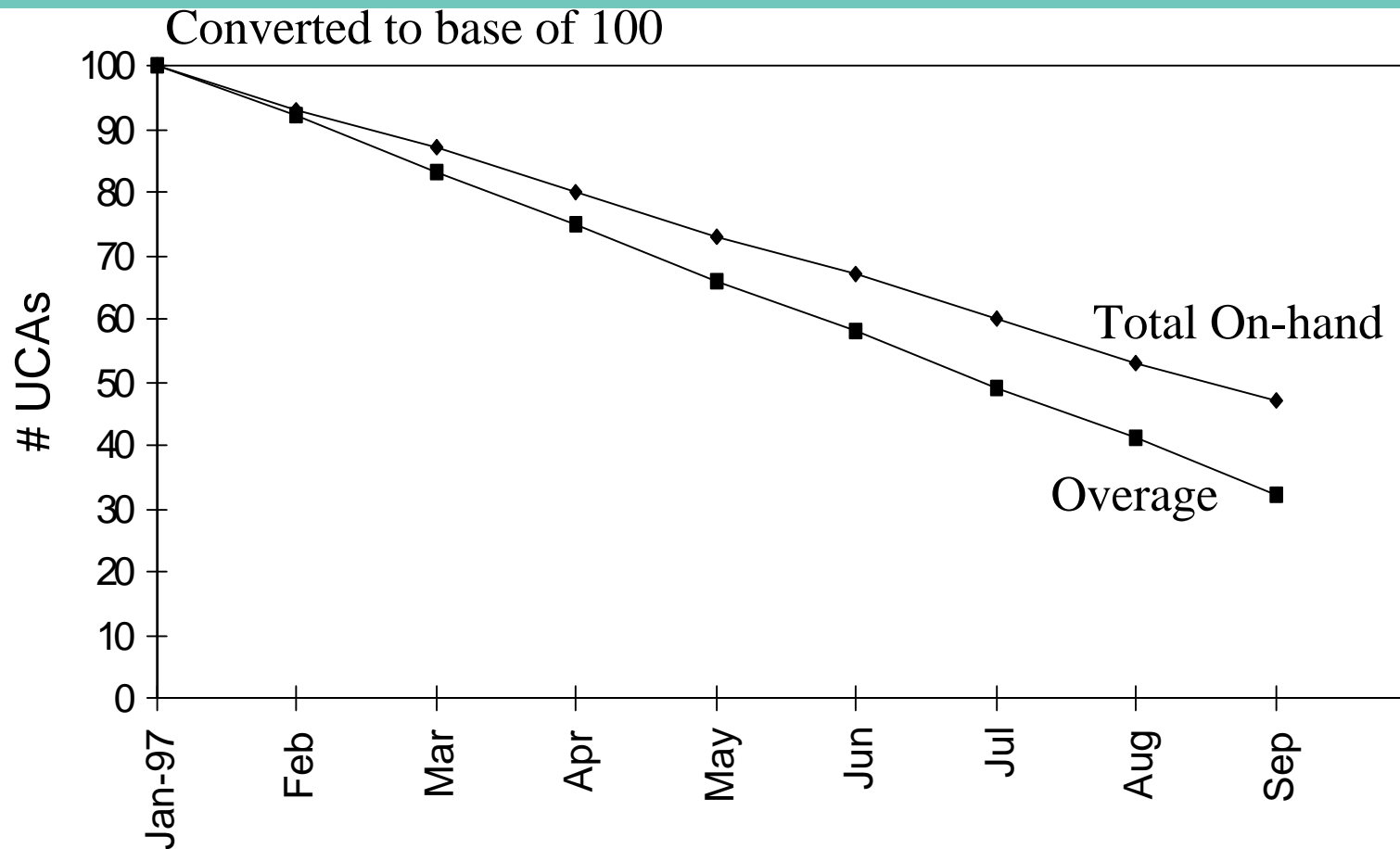


Trend Analysis based on 3 Month Double Moving Average using Last 12 Months of data.





UCA Projections Through FY 97

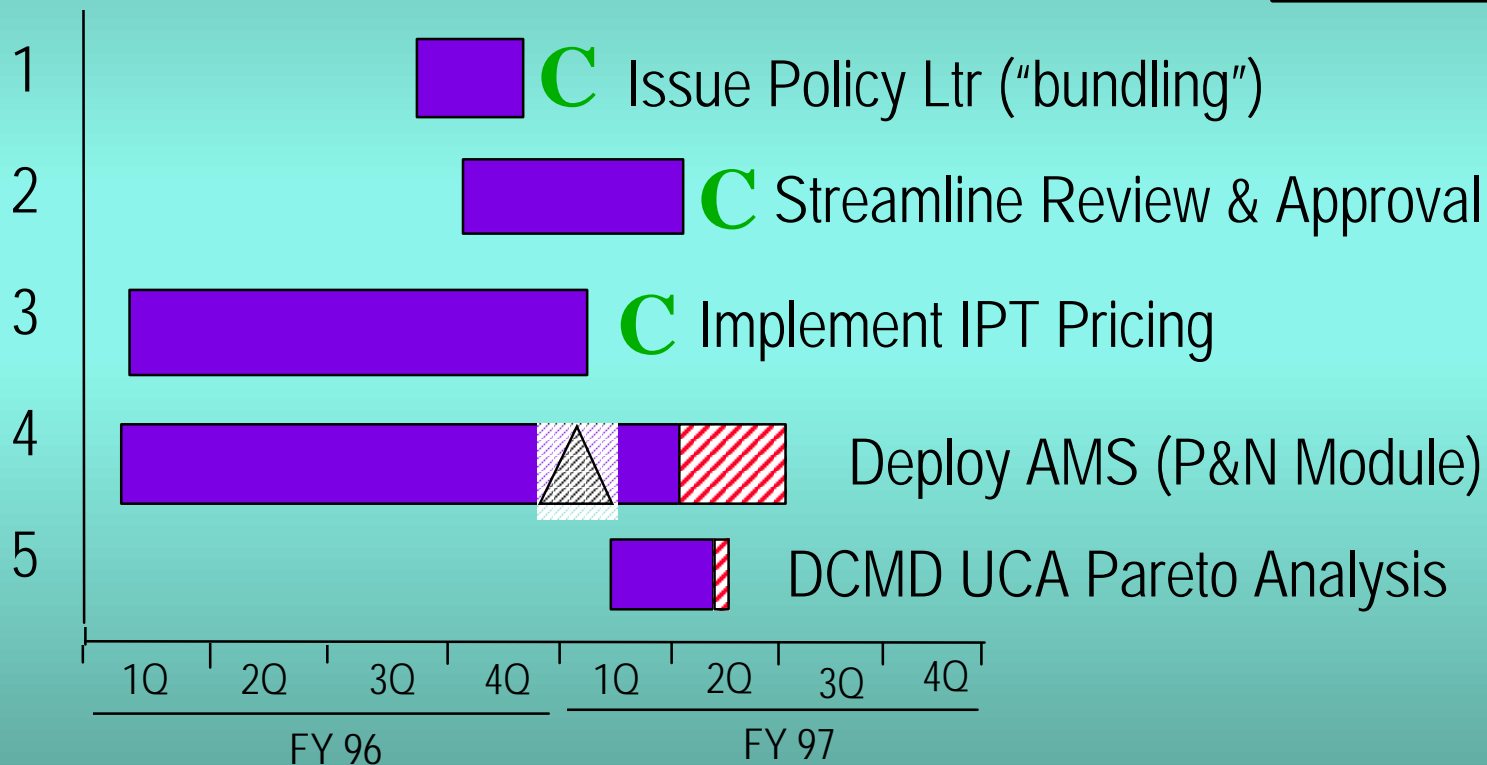
Slopes using normalized data





Action Plan for UCAs

C = Complete
 = Interim Event
 = Slippage





Right Price

Reasons For Overage UCAs

DCMDs doing Pareto Analyses at CAOs below;

<u>Field Office</u>	<u>Overage UCAs</u>	<u>Overage UCA \$</u>
✓ Grumman Bethpage	246	209M
✓ MD St. Louis	168	31M
✓ Van Nuys	129	19M
✓ Northrop Grum Hawthorne	110	265M
✓ Hughes LA	83	15M
✓ Boston	75	6M
✓ Boeing Seattle	74	58M
✓ Boeing Helicopter	70	40M
✓ Orlando	46	18M
✓ Lockheed Sanders	32	35M
✓ MD Long Beach	35	109M
Total	1068	\$805M

**About 60%
of Overage
UCA \$**

**Over 56%
of Overage
UCAs**



Right Price Overage UCAs On-Hand

<i>Process Drivers</i>	<i>Relative Impact on Metric</i>	<i>Degree of Influence/Control</i>
Late (or Inadequate) Proposals	10	10
Insufficient Funds	4 (7)	6
Awaiting GFP/Repairables	4 (7)	6
No Forward Pricing Rates	2 (5)	10
Processing of design changes	1 (2)	6
Insufficient Staffing	1 (2)	10
Early results dictate some changes		



Right Price: Overage UCAs On-Hand

Follow-on Actions

Identify root causes of late proposals

- PROCAS Teams?
- Departmental manager resistance?
- Make our own proposals?

Analyze data further by patterns in...

- UCA type,
- dollar value,
- buying activity

1.1.1.3-Forward Pricing Rate Agreements (FPRAs) coverage.

60% of total beneficial segments

December update/October data.

Currently 66% of beneficial sites have FPRAs. Corrective action plans were being submitted to achieve goals by District, by May 97. DCMDE identified segments where FPRAs are possible.

Formulated strategy for getting FPRAs in place.

Myla Edwards, Overhead Center, (703) 767-3387,
DCMC-OHC



Performance Goal 1.1.1.3

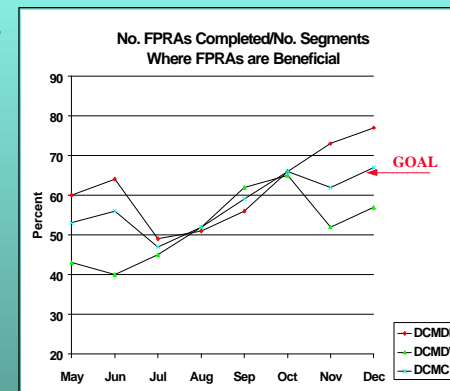
Forward Pricing Rate Agreement (FPRAs)
Coverage

Status: Green

- **Measure:** Percent of Beneficial Segments Covered by FPRAs.
- **Comments:**
 - FY 97 FPRAs Goal is 60% coverage
 - Performance continually improving
 - Green rating based on trend data from DCMDE & DCMDE
 - 60% goal achieved

97-1.1.1.3

97-1.1.1.3





Performance Goal 1.1.1.3

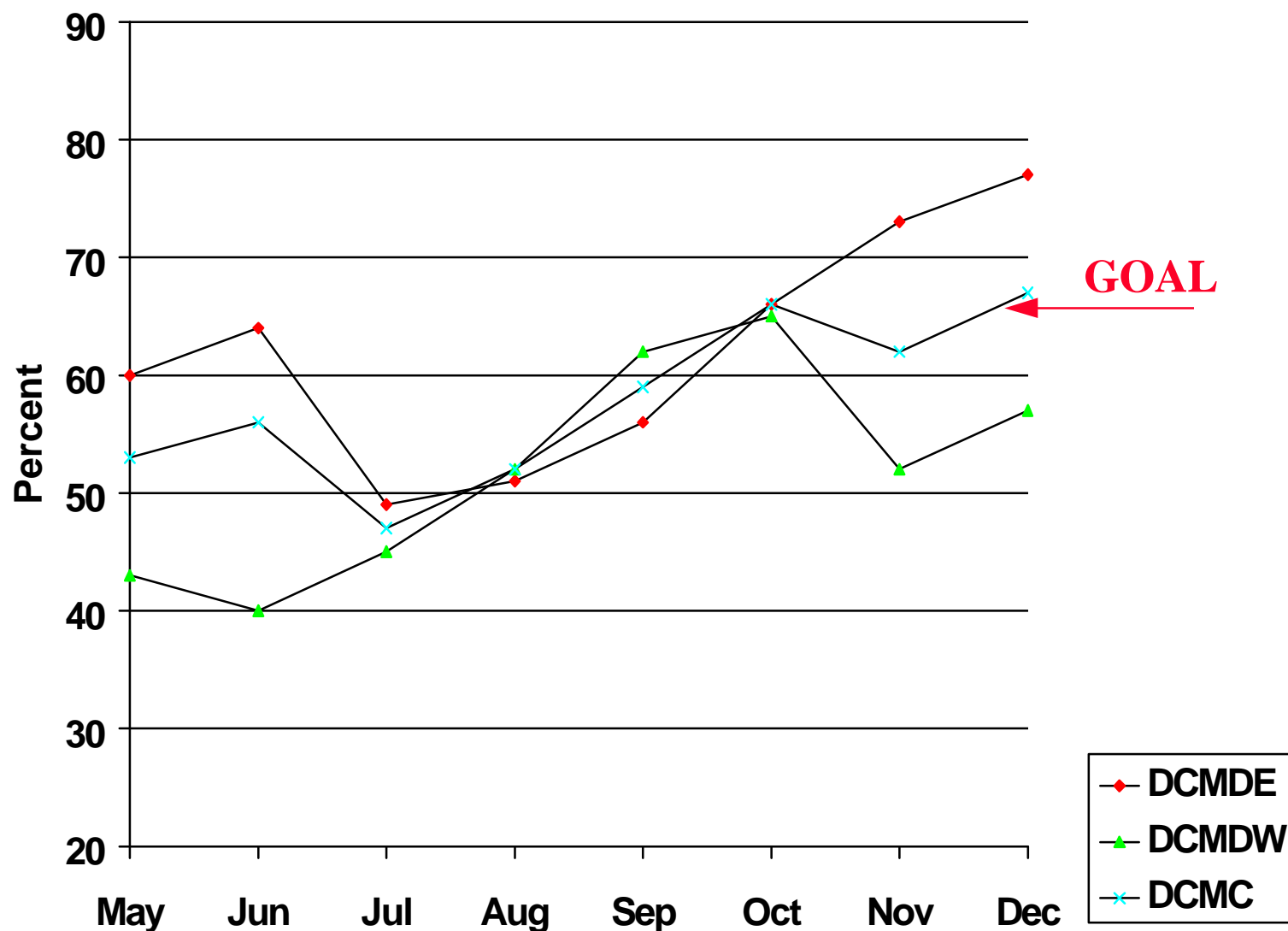
Forward Pricing Rate Agreement (FPRA) Coverage

Status: Green

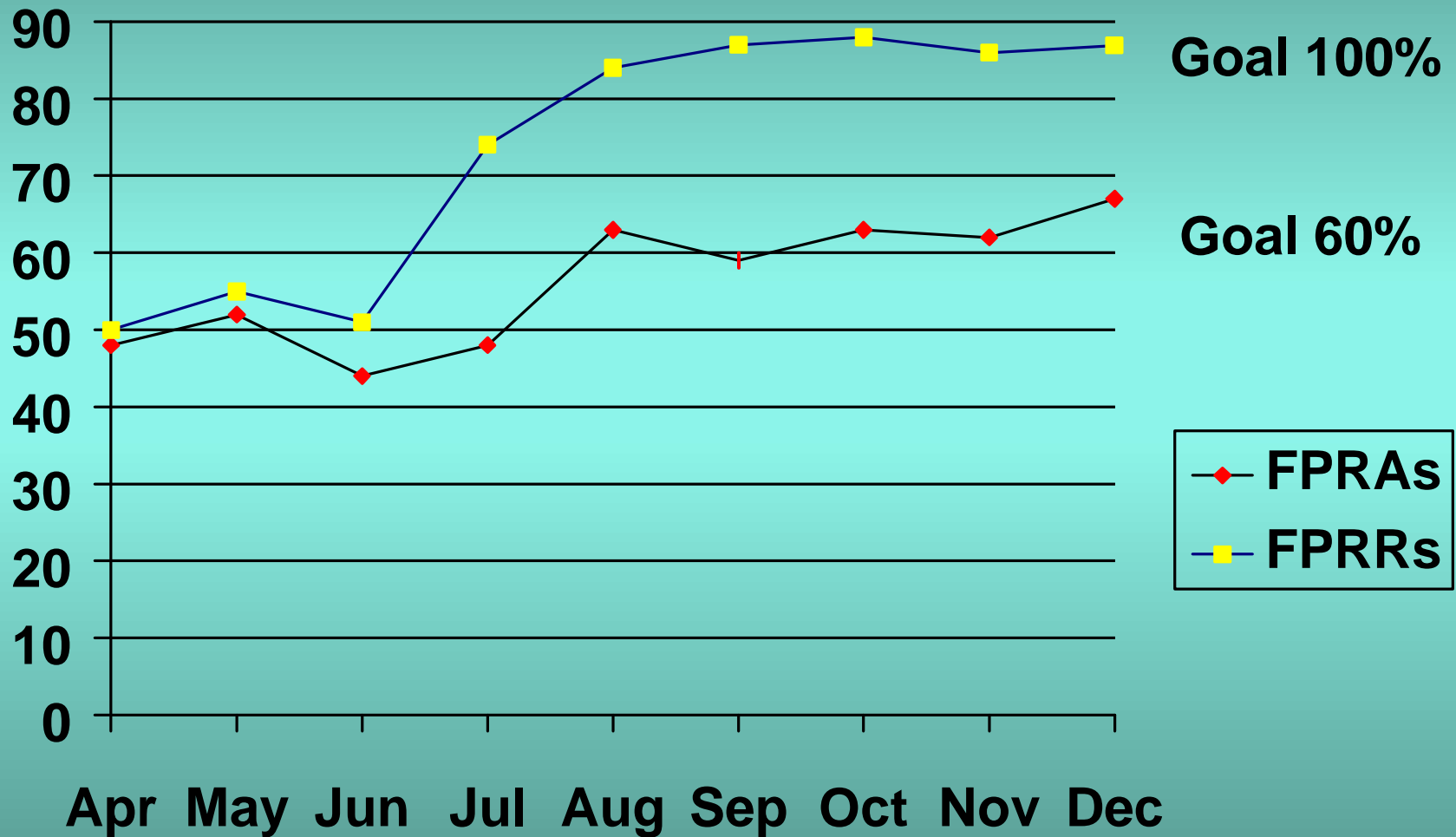
- **Measure:** Percent of Beneficial Segments Covered by FPRAs.
- **Comments:**
 - FY 97 FPRA Goal is 60% coverage
 - Performance continually improving
 - Green rating based on trend data from DCMDW & DCMDE
 - 60% goal achieved



No. FPRAs Completed/No. Segments Where FPRAs are Beneficial



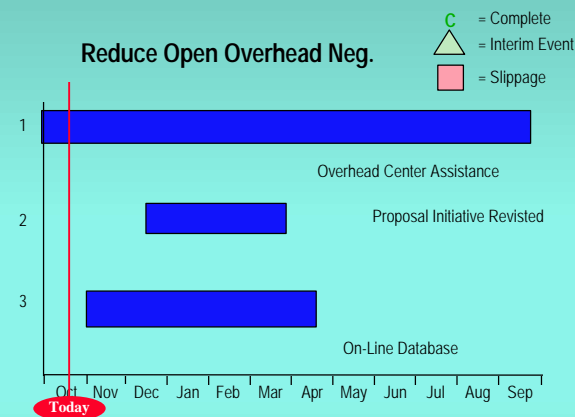
Number of FPRAS/FPRRS Completed



1.3.1.2x-Reduce open overhead negotiations

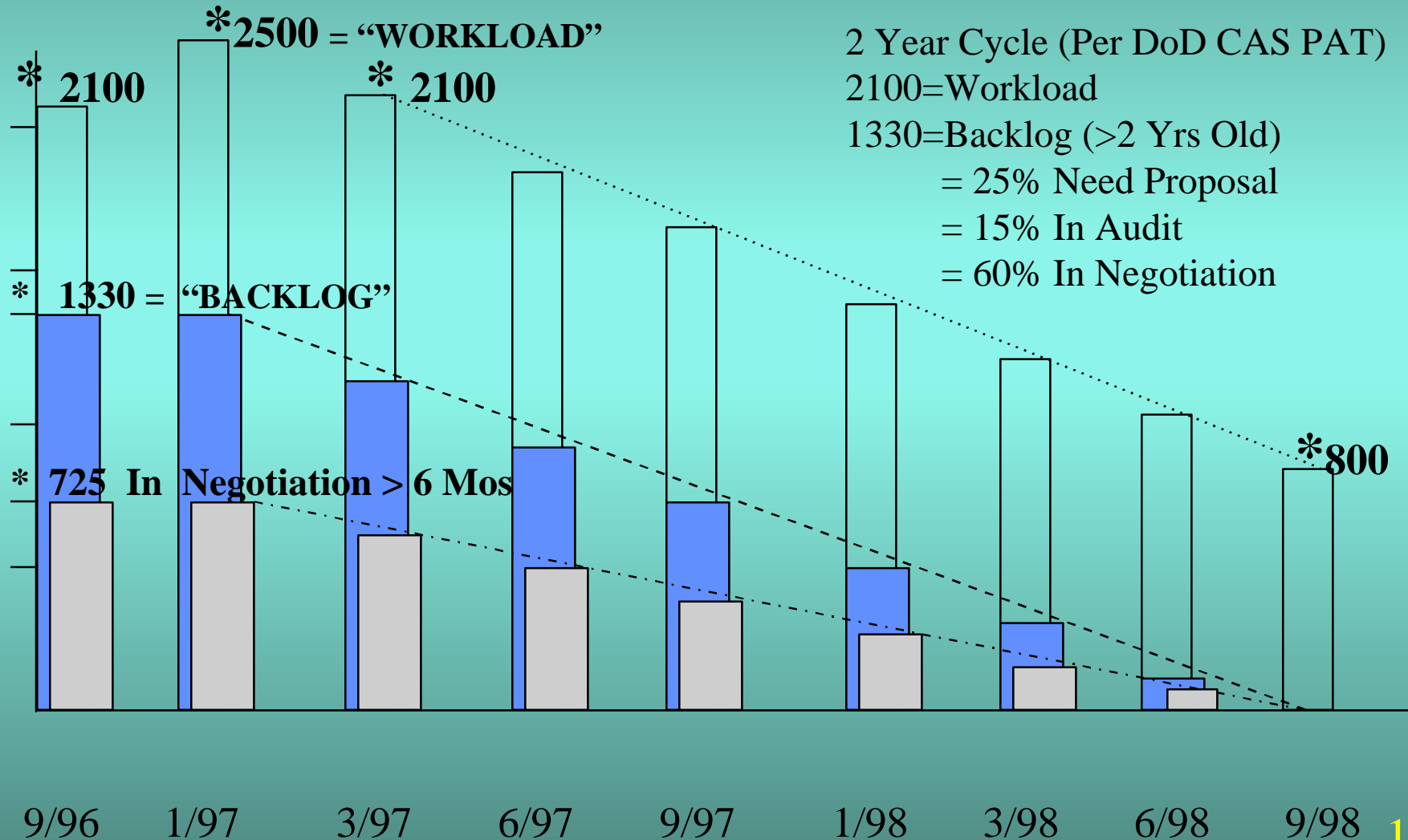
Average two years per location-(800yrs)

The Sept. 96 backlog is 2113 years. While the 97 plan has a goal of 800 we don't expect to be able to reach it until FY98 .(was the original goal)



Glenn Gulden,AQOK, 767-3406

OVERHEAD CENTER TARGET



SITE VISITS

JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

▲ CAO BALTIMORE 200+ YRS

▲ CAO VAN NUYS 150+ YRS {65 TRW}

▲ CAO SAN FRANCISCO 160+ {30% Litton}

▲ CAO BOSTON 40+

▲ LOCKHEED MARTIN DELAWARE 50+

▲ CAO DENVER 100+

▲ CAO ATLANTA 60+

▲ CAO SANTA ANA 80+

TEAMS DETERMINED
BASED ON ANALYSIS

▲ CAO CLEVELAND 45+

▲ DCMC BOEING

▲ HUGHES L.A.



TBD - BY DISTRICTS

Evaluate Database
Establish Assessment Process
Identify Process Improvements
Energize DCEs

Perfect Assessment Process
Identify Process Improvements
Improve DCAA/DCMC
Coordination

Tailored Support

Follow-up With Initial Sites

Identify Future Sites



Right Reception Customer Satisfaction

Analysis Level 1: December data: 5.4/6.0

- Good news
 - Majority of comments positive
 - No ratings below 4.0
- Other comments/observations
 - ICP - Philadelphia
 - Downsizing

5.1.1-Right Talent (Challenge-workforce skills)

Top Metric Training Hours per employee per year Compare to Industry Benchmark is collected and reviewed monthly using PLAS Code 217

15 Feb update:

Implemented PLAS Code 217 to collect and compare Training Hours per Employee with Industry Benchmark 84 Hours per year.

Penny Kingsbury AQOJ 703-767 3372

Janak Pandhi AQOJ 703 767 2353



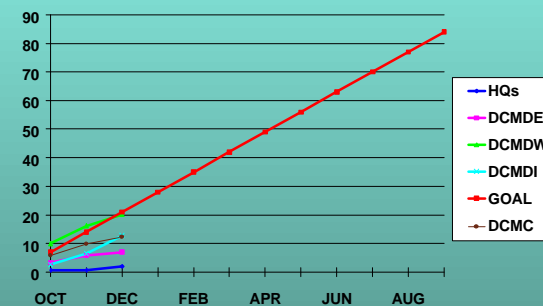
Right Talent Training Hours Per Employee per Year As Compared to Industry Benchmark

Process Drivers	Relative Impact on Top Level Metric	Relative Degree of Influence/Control
Budget Constraints	10	9
Faulty Identification in IDPs	4	10
Timely Class - Information	5	8
Incorrect PLAS Reporting	3	10
Cancellation Due to Mission Constraints	3	2
Location of Training	2	6

97-5.1.1

Feb 97

Right Talent Training Hours Per Employee Per Year Compared to Industry Benchmark 84 Hrs





Right Talent

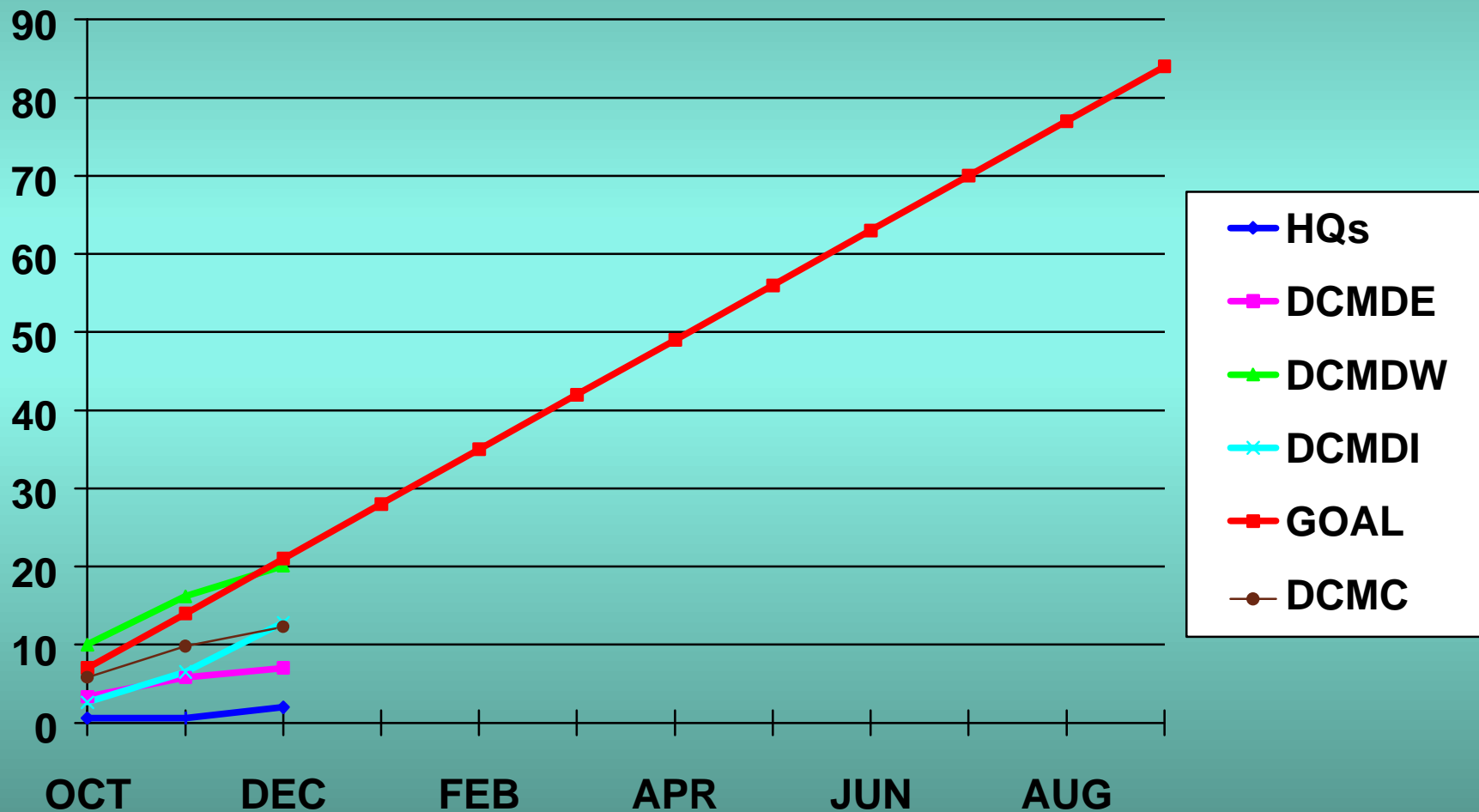
Training Hours Per Employee per Year As Compared to Industry Benchmark

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Budget Constraints	10	9
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Timely Class - Information	5	8
Incorrect PLAS Reporting	3	10
Cancellation Due to Mission Constraints	3	9
Location of Training	2	6

Feb 97

Right Talent

Training Hours Per Employee Per Year
Compared to Industry Benchmark 84 Hrs





Right Talent

DAWIA Certification Percentage

Number of employees certified/Total # of employees requiring DAWIA certification

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Insufficient Quotas Received	10	8
Faulty Listing on IDPs	4	10
Employee/supervisor Do Not Understand Requirements for Certification	4	9
Lack of Required Education	6	4
Lack of Required Experience	6	3

Feb 97

DAWIA Certification Percentage





Right Talent

DAU Quotas Usage Percentage

Number of employees graduated / Number of spaces originally allocated

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
<i>Supervisor Could Not Release Employee Because of Work Load</i>	10	10
<i>Timely Notification</i>	7	9
<i>Employee Declines Due to Training Location</i>	6	7
<i>Employee Declines Due to Personal Reasons</i>	6	4





Feb 97

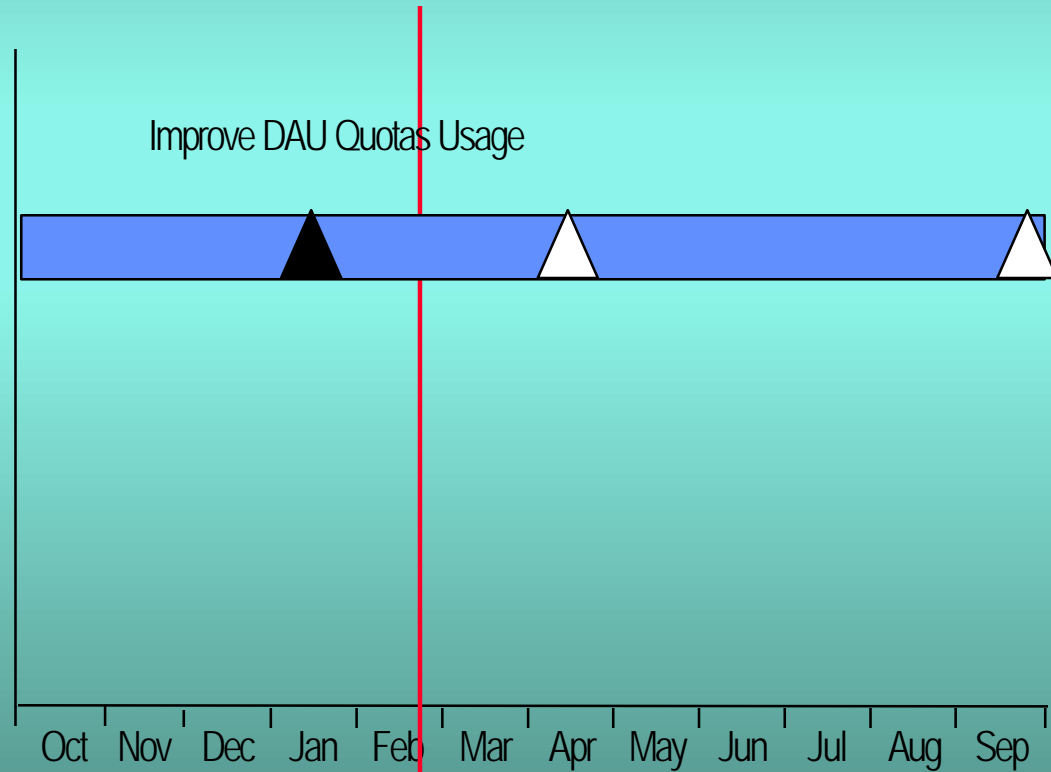
DAU Quotas Usage Percentage



Feb 97

DAU Quotas Used Percentage

-  = Complete
-  = Interim Event
-  = Slippage
-  = Final Event



Today



Performance Improvement

1997 Business Plan - Performance Goals	DCMC	East	West	Int'l
• (1.1.1) Continually improve process to help customers craft better contracts and make better contractor selections (EARLY CAS)	Yellow	Yellow	Green	Green
• (1.2.1) Increase the percentage of items (source inspected) conforming to product specifications	NR	Yellow	Yellow	Green
• (1.2.2) Improve by 5% over the FY 96 baseline, the number of contract line items delivered to the original delivery schedule	NR	NR	NR	Green
• (1.2.3) Increase overall DCMC ROI by 10% over the FY 96 baseline	Green	Green	Green	Green
• (1.3.1) Continually improve all facets of the contract close-out process (Targets=Less than 5%/20% overage contracts for those with/without canceling funds respectively)	Green	Yellow	Yellow	Green
• (2.1.1) Incrementally expand JLC Acquisition Pollution Prevention Initiative to additional contractor sites	Green	Green	Green	NA
• (2.1.2) Establish, maintain, and improve dynamic surveillance process that senses and satisfies customer needs (DELIVERY DELINQUENCIES)	Yellow	Yellow	Green	NA
• (2.1.3) Continue to identify/define and implement actions necessary to ensure that DCMC is positioned to remain a key player in the DoD acquisition process in the 21st century	Green	NA	NA	NA
• (2.1.4) Improve the effectiveness and efficiency of all our communication efforts (INTRA-DCMC COMMUNICATIONS)	Green	Green	Green	Green
• (2.1.5) Continually improve/enhance organization & processes that deliver quality products/services (INTERNAL PROCESS STANDARDIZATION)	Yellow	Green	Green	Green



Performance Improvement (Con't)

1997 Business Plan - Performance Goals	DCMC	East	West	Int'l
• (2.1.6) Support info technology initiatives by deploying 90% of projects selected in the IRM plan on schedule (INFORMATION TECHNOLOGY INITIATIVES)	Red	Green	Green	Red
• (2.1.7) Develop/deploy small quantity of outcome-oriented performance measures which best portray performance of core processes (METRICS)	Green	Green	Green	Green
• (2.1.8) Package DCMC-wide data for the customer in a comprehensive, timely, and user-friendly manner (PACKAGING DCMC DATA)	Green	Green	Green	Green
• (2.2.1) Use the results of Performance Based Staffing Assessment to better structure and utilize the workforce	Green	Green	Green	Green
• (2.3.1) Improve mission and support processes by conducting management control reviews and annual USA; incorporate areas for improvement into planning process	Green	Green	Green	Green
• (2.3.2) Assess organizational performance through the accomplishment of 30 IOAs during FY 97	Green	Green	Green	Green
• (2.3.3) Continue benchmarking projects that were started during FY 96	Yellow	Green	Green	NA
• (2.3.4) Explore the use of Alternate Oversight approaches and other methods to enhance operational efficiency at various CAO locations	Green	Green	Green	NA
• (2.3.5) Refine assessment processes (ASSESSMENT PROCESSES)	Yellow	NA	NA	NA
• (3.1.1) Reduce facilities costs - bring footage ² of office space into compliance w/ DLA standard - move offices from leased space into DoD space	Green	Green	Green	Green
• (3.1.2) Reduce number of high grade positions (14/15/SES) by 4% DCMC-wide	Green	Green	Green	Green



Performance Improvement (Con't)

1997 Business Plan - Performance Goals	DCMC	East	West	Int'l
• (3.1.3) Increase civilian supervisory ratio to 13:1	Green	Green	Green	Green
• (3.1.4) Prepare for DBOF (DBOF CHALLENGE)	Green	NA	NA	NA
• (3.2.1) Develop and implement an integrated management system	Green	Green	Green	Green
• (3.3.1) Improve elements of the work environment that enhance employees' well being, satisfaction, and productivity	Green	Green	Green	Green
• (4.1.1) Maintain overall customer satisfaction level greater than 4.0 (1-6 scale) across ACAT PMs/PCOs and Commodity Managers/PCOs	Green	Green	Green	Green
• (4.1.2) Field activities continue to solicit customer satisfaction information via Trailer Cards	Green	Green	Green	Green
• (4.2.1) Increase civilian agency reimbursable business to 159,053 hours (DCMC-wide) by close of FY 97	Red	Green	Green	Green
• (5.1.1) Establish, maintain, and improve a strategic workforce development system that addresses current and future skills needed to satisfy customer requirements (WORKFORCE SKILLS)	Yellow	Red	Green	Green
• (5.2.1) Increase the percent of eligible organizations having partnership agreements and/or partnership councils	Yellow	Green	Green	Green

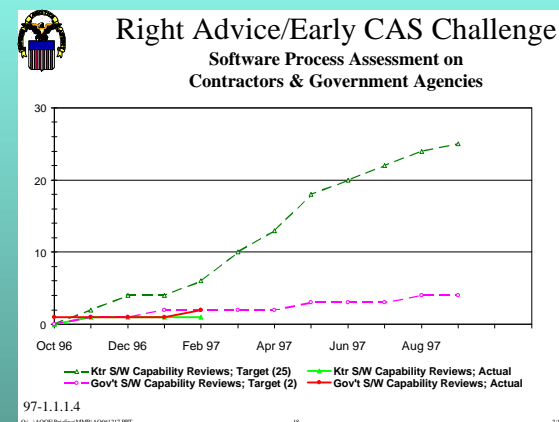
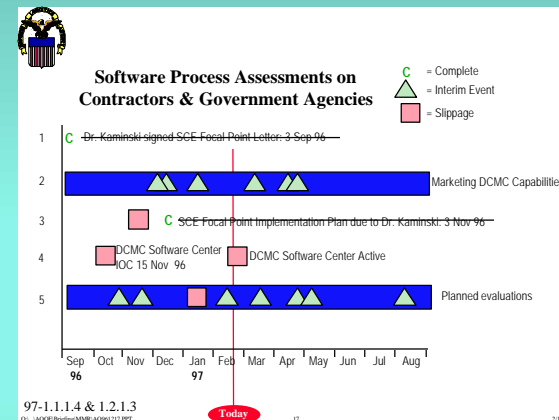
1.1.1.4 & 1.2.1.3-Right Advice: Software Process Capability Reviews on Govt & Ktrs

30 Sep 97: 25 Ktr SCEs & 4 Gov't SCEs.

GREEN.



Performed 10 Ktr SCEs & 2 Gov't SCEs in FY96. Have 1 Ktr SCE scheduled for 2nd quarter FY 97 and 1 Gov't SCE scheduled for 2nd quarter FY 97.

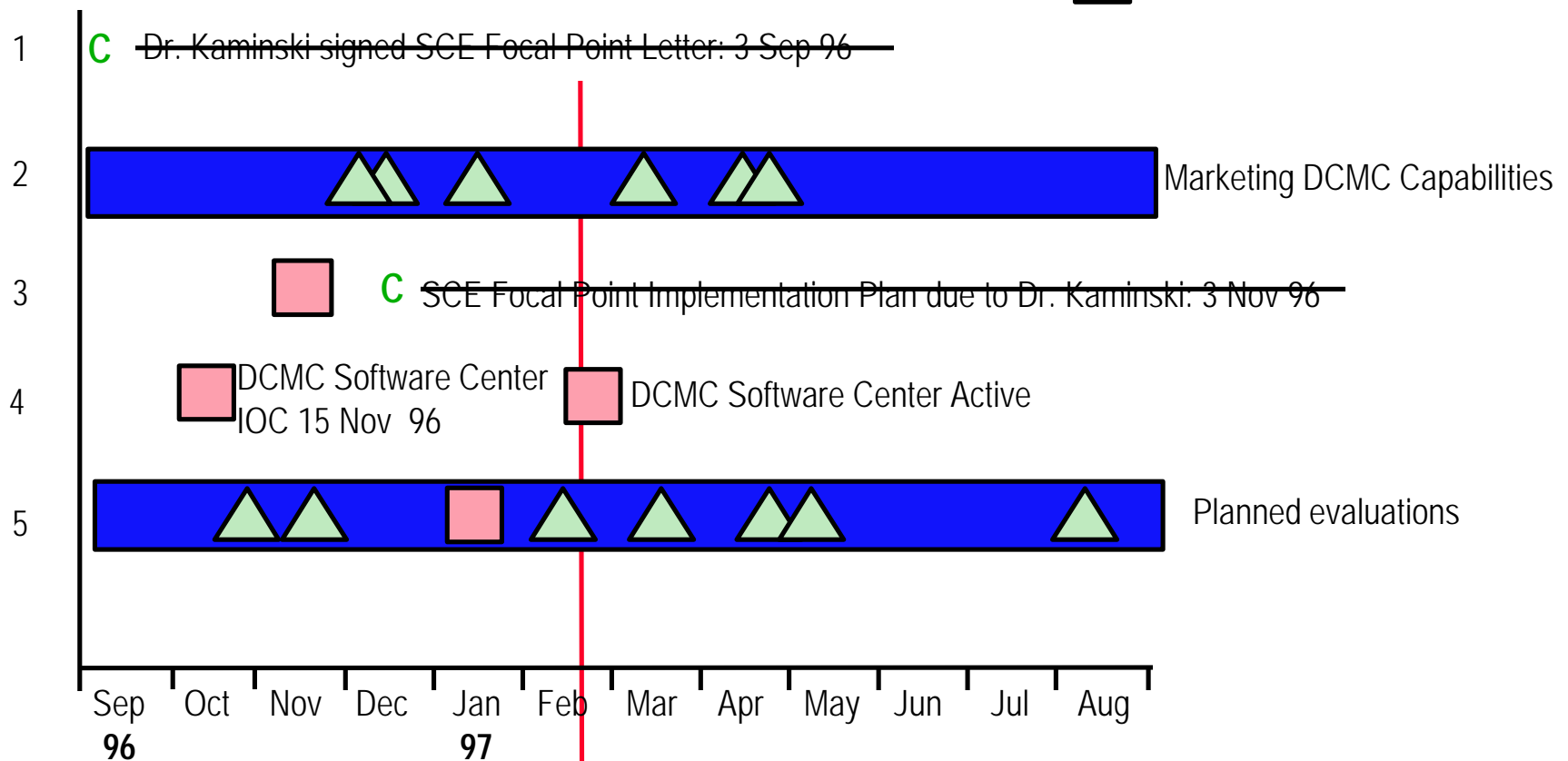
Product Design, Development & Control Team, AQOF, Kevin Holt, (703) 767-3354.





Software Process Assessments on Contractors & Government Agencies

C = Complete
 = Interim Event
 = Slippage



97-1.1.1.4 & 1.2.1.3

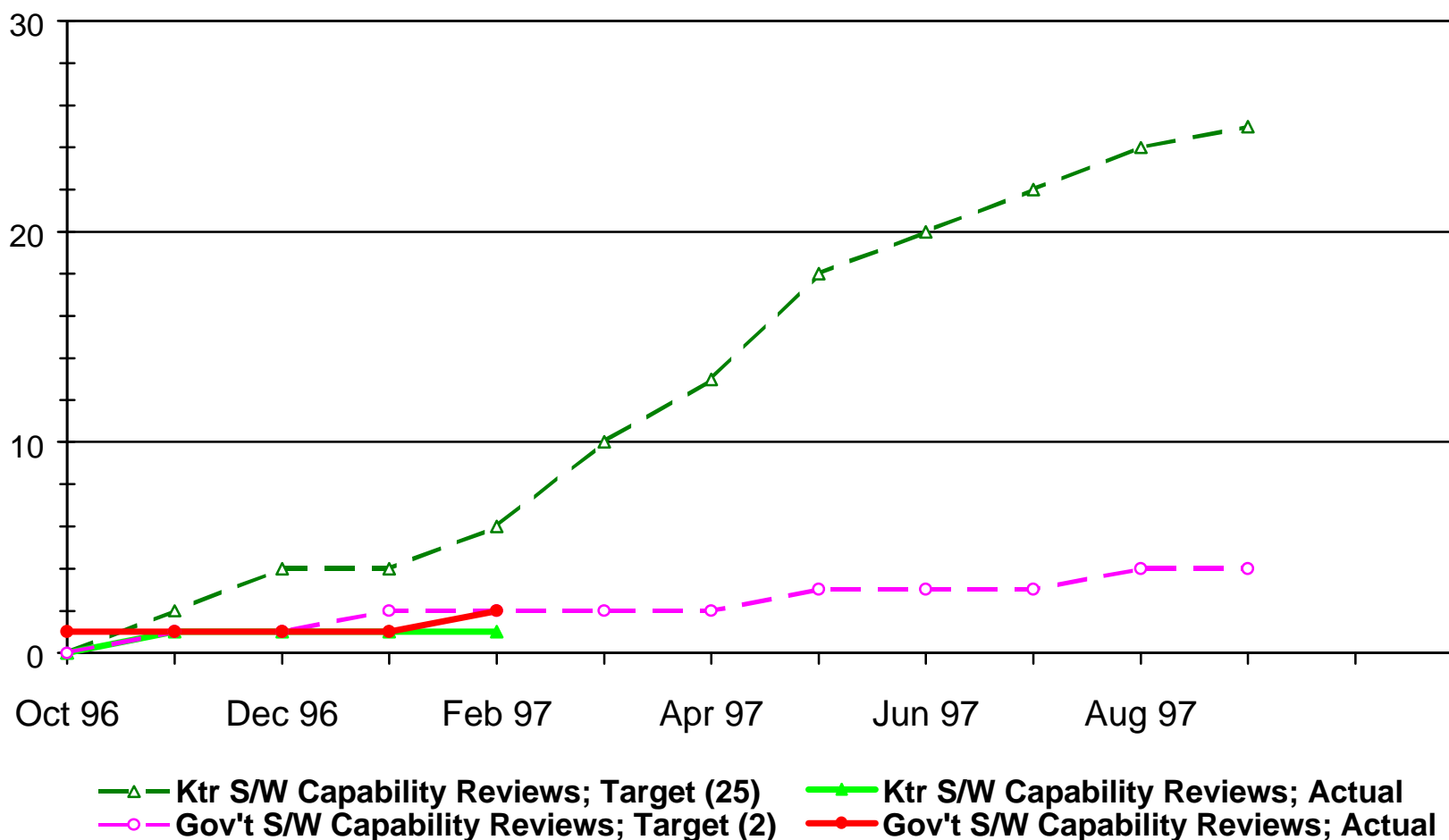
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Today



Right Advice/Early CAS Challenge

Software Process Assessment on Contractors & Government Agencies



97-1.1.1.4



Right Advice

Software Process Assessments

Status: Yellow

- 1 Sole Source completed - MMRT (ESC)- Nov 96
- 2 Government completed
 - NASA Oct 96
 - DFAS Process Improvement (Lead Evaluator) Feb 97
- Upcoming
 - GTN Award Fee (1) - Mar 97
 - AAAS (SDCE) (1) - Apr 97 ~~AAAS (Risk) (3) - Apr 97~~
 - CAN Source Selection (5) - Apr 97

97-1.1.1.4 & 1.2.1.3

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19

2/14/97



Performance Metric 1.1.1.4

Software Process Assessments

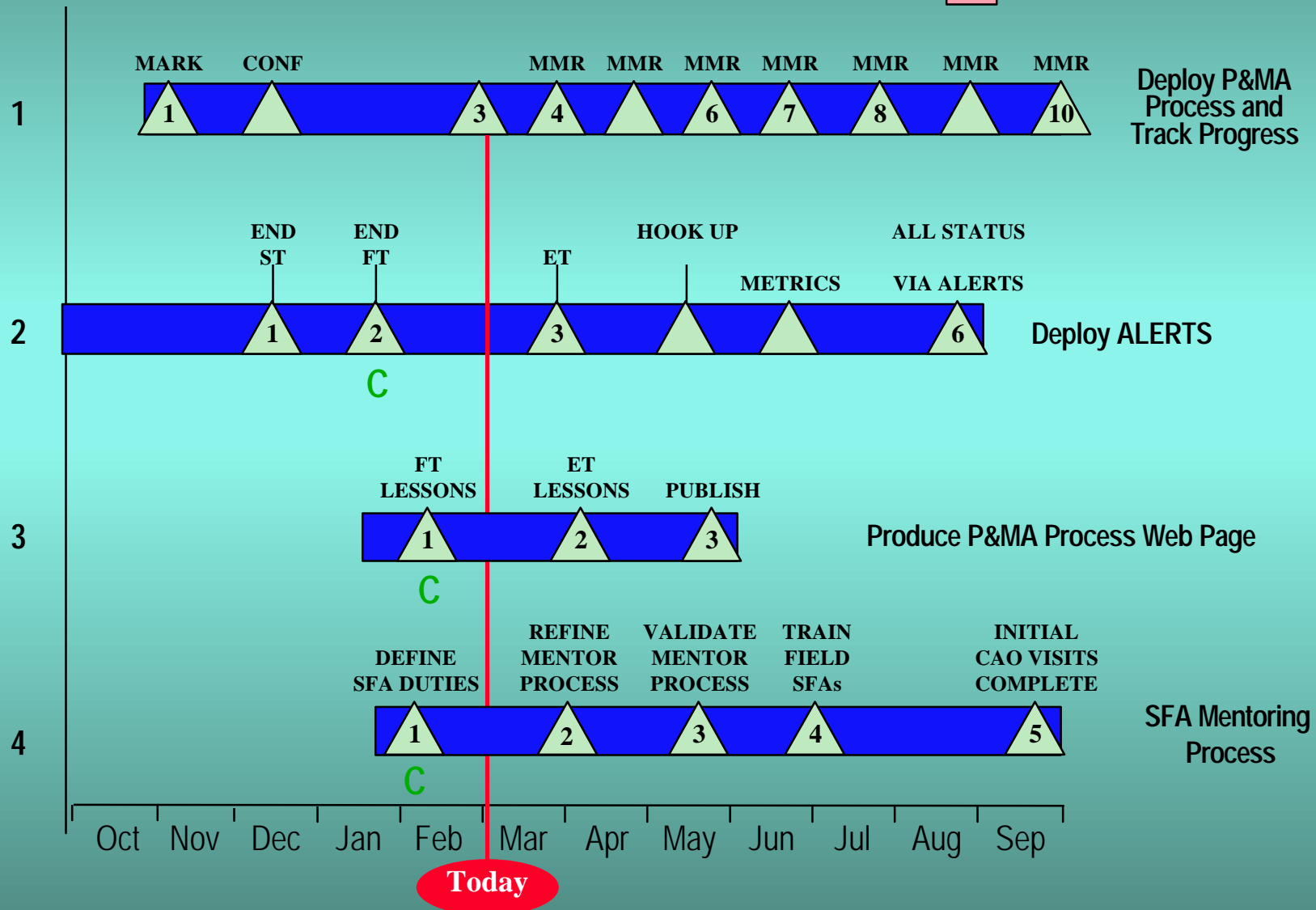
- New DCMC Goal/Metric for FY97: 25
- FY 96 Performance: 10
- FY 97 Performance:
 - MMRT
- FY 97 Planned Performance
 - GTN Award Fee (1) - Mar 97
 - AAASV (SDCE) (1) - Apr 97
 - CAN source selection (5) - Apr 97
- FY 97 Developing
 - McDonnell Douglas Long Beach
 - Coast Guard

97-1.1.1.4

2/14/97

Right Time - Delivery Delinquencies

- C = Complete
- △ = Interim Event
- = Slippage



2.1.5-Internal Process Standardization Challenge

30 Sep 97

-Many activities completed or begun during FY96.

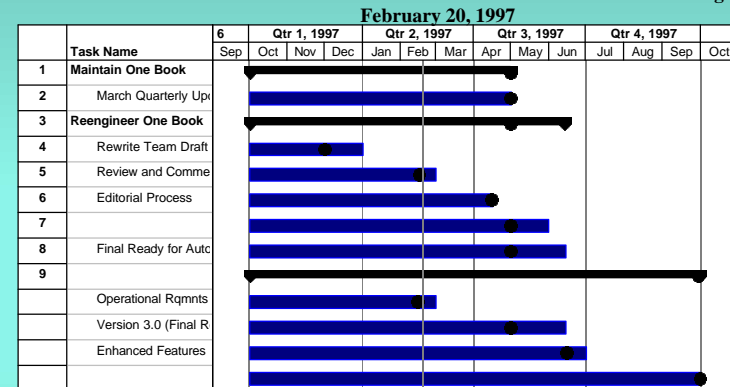
-2 key tasks identified for FY97:

Task 97-2.1.5.1- Owner: Carol Collins, AQOJ, 767-2352 - Improve venues for consistent operation/deployment of DCMC's policies.

Task 97-2.1.5.2 -Owner:Kathy Zalonis, AQOJ, 767-2365 - Reengineer DCMC's One Book.

Carol Collins, AQOJ, 767-2352

Performance Goal 2.1.5 - Internal Process Standardization Challenge



Performance Goal 2.1.5
Internal Process Standardization

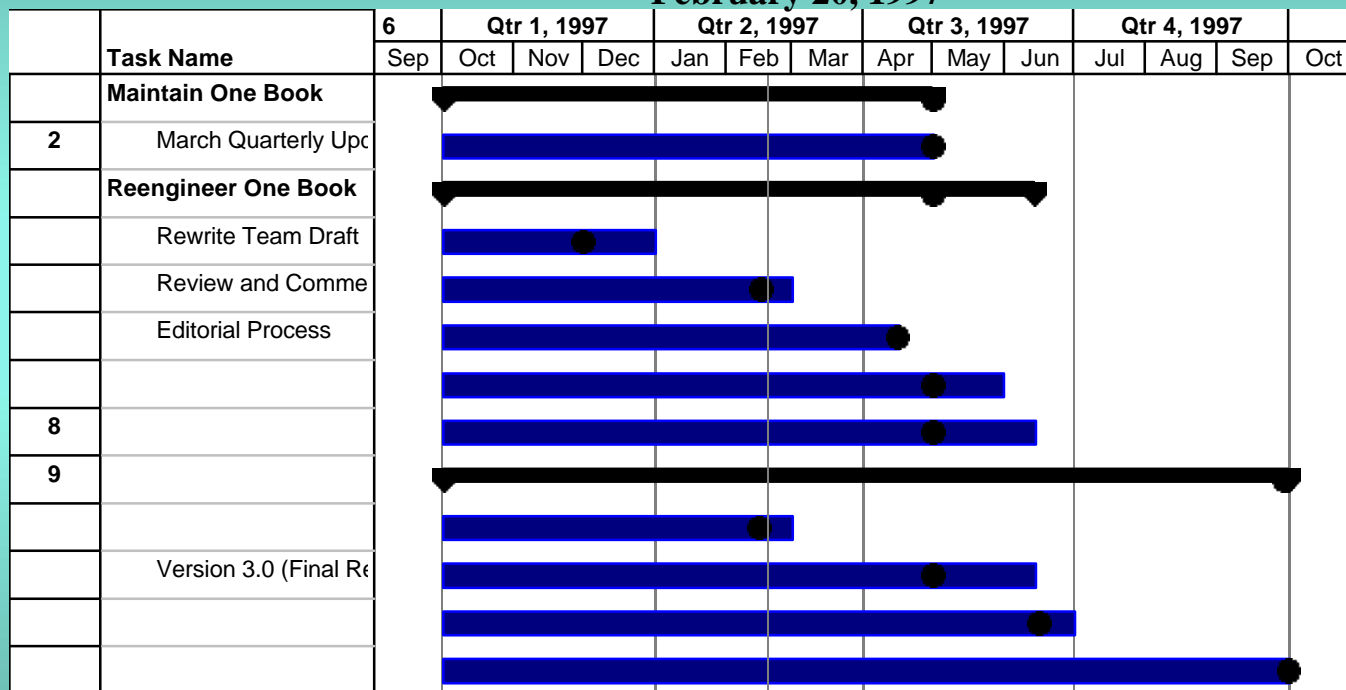
Task 2 Changes:

- Review Period extended (Feb 15 to Feb 28)
- Editor Onboard by Mar 3
- Editing Completed by Apr 11
- Legal/Union Review Completed by Jun 10
- Final Ready extended (Apr 30 to Jun 13)

Task 3 Changes:

- ORD extended (Feb 15 to Feb 28)
- Version 3 extended (Apr 30 to Jun 27)

Performance Goal 2.1.5 - Internal Process Standardization Challenge
February 20, 1997



Performance Goal 2.1.5
Internal Process Standardization
February 20, 1997

Task 2 Changes:

- Review Period extended (Feb 15 to Feb 28)**
- Editor Onboard by Mar 3**
- Editing Completed by Apr 11**
- Legal/Union Review Completed by Jun 10**
- Final Ready extended (Apr 30 to Jun 13)**

Task 3 Changes:

- ORD extended (Feb 15 to Feb 28)**
- Version 3 extended (Apr 30 to Jun 27)**

2.1.6 - IRM Plan

Tasks to be briefed at March MMR

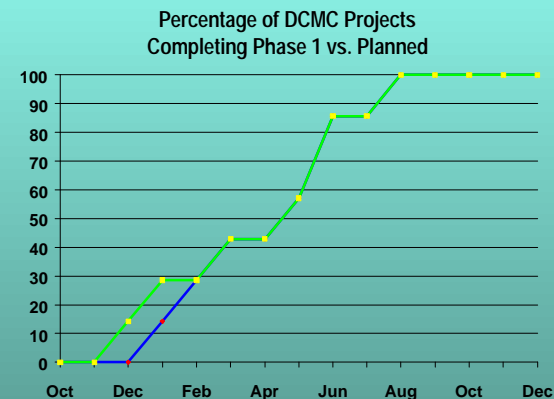
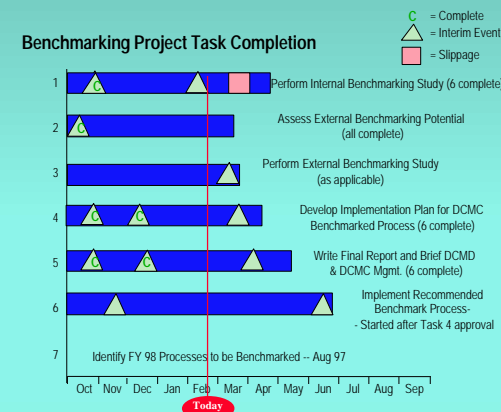
2.3.3- Benchmark the Distributed Computing Process

Complete the Distributed Computing benchmarking project. Benchmarking of DCMC processes should yield major improvements to those processes by identifying the best method (or benchmark) for performing the process in the Command, and when the determination has been made to do external benchmarking, a best method for performing the process country/worldwide.

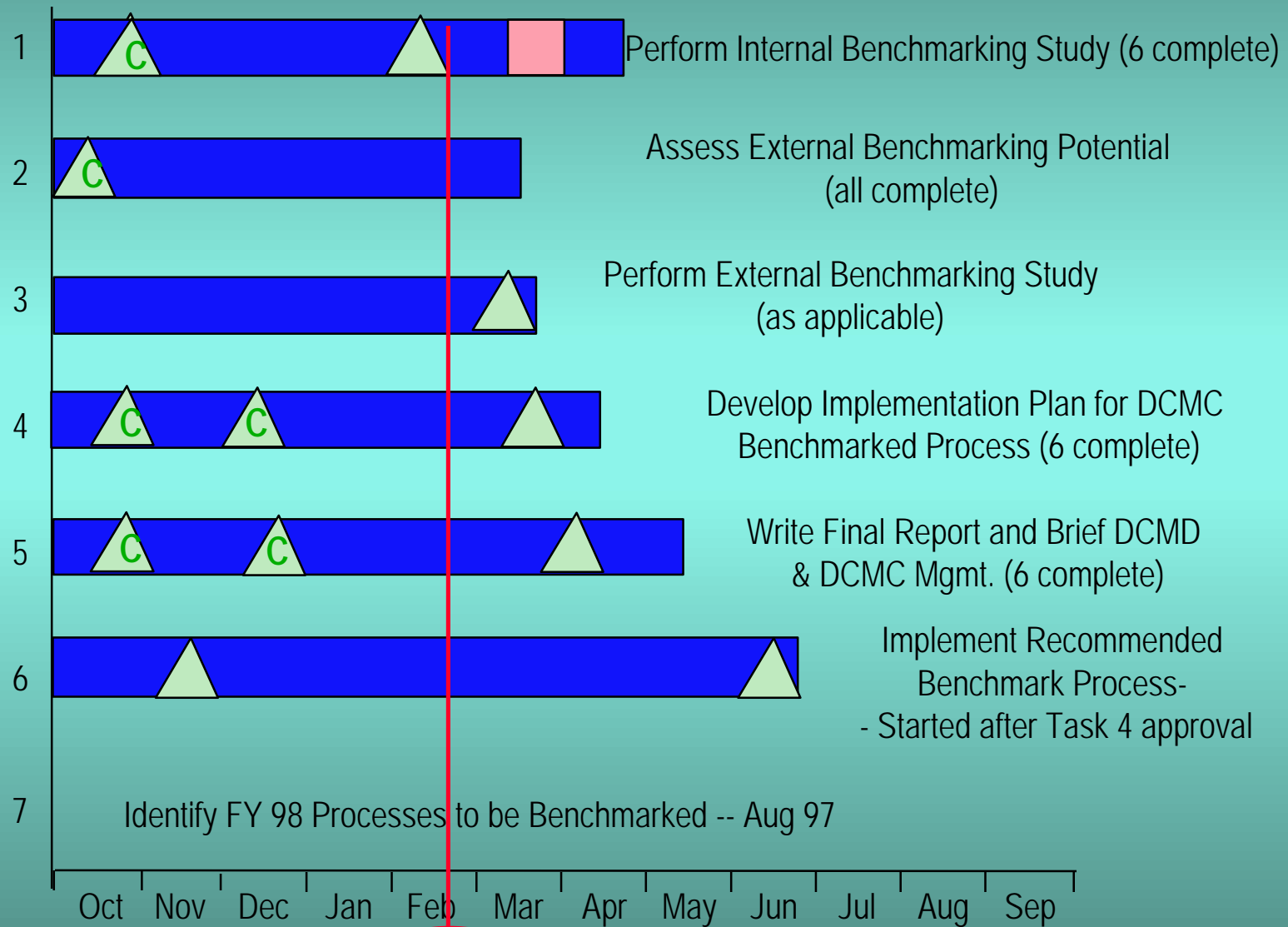
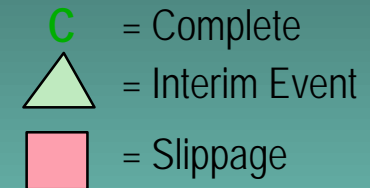
Status: 18 Feb update. Overall rating is Yellow. The Distributed Computing Team began its project at the end of August. The final project completion date may slip from 1 April 1997. (cont. next page)

Performance Goal - Primary: Stephanie Strohbeck, AQOE. Secondary: John Glover, AQBC.

Tasks - Benchmarking Project Team Lead.



Benchmarking Project Task Completion



Today

5.1.1.6-Right Talent: Software Professional Development Program (SPDP)

30 Sep 97: 10% of SPDP registered personnel are certified at Level III and 65% are certified at Level II. Baseline: 450 DCMC personnel identified in Dec 95 as registered in the SPDP.

GREEN.

Apr 95: SPDP Training Guide published.

Jan-Mar 96: S/W Surveillance Pilot Courses.

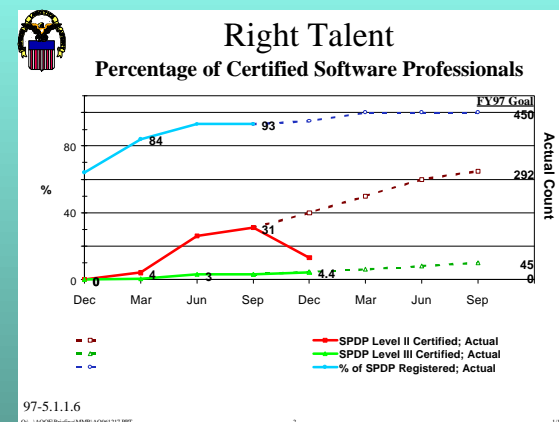
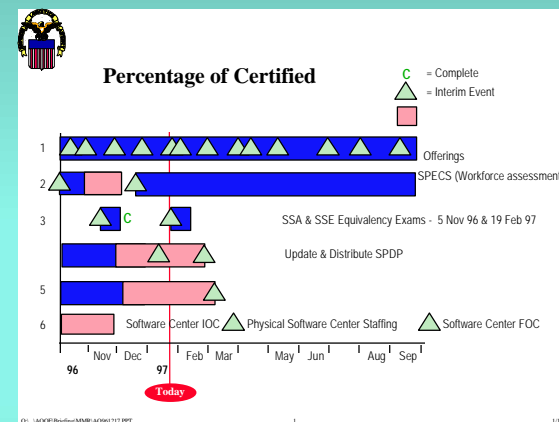
28 S/W Course Offerings to date.

5Nov96: SSA & SSE Equivalency Test

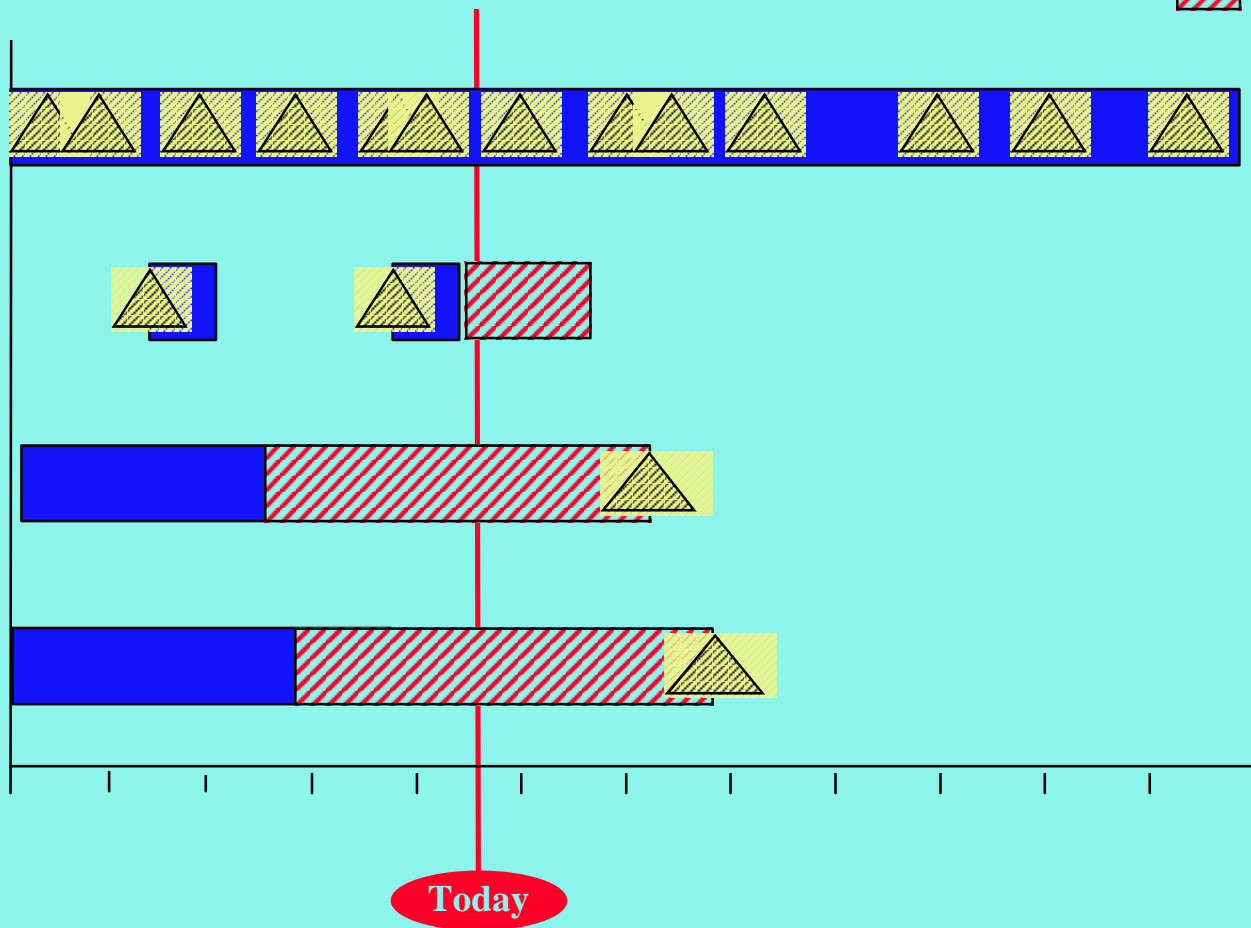
Feb 97: Update & distribute SPDP v2

Feb 97: Update & test courseware

Product Design, Development & Control Team, AQOF,
Cmdr Jim Seveney, (703) 767-3358.



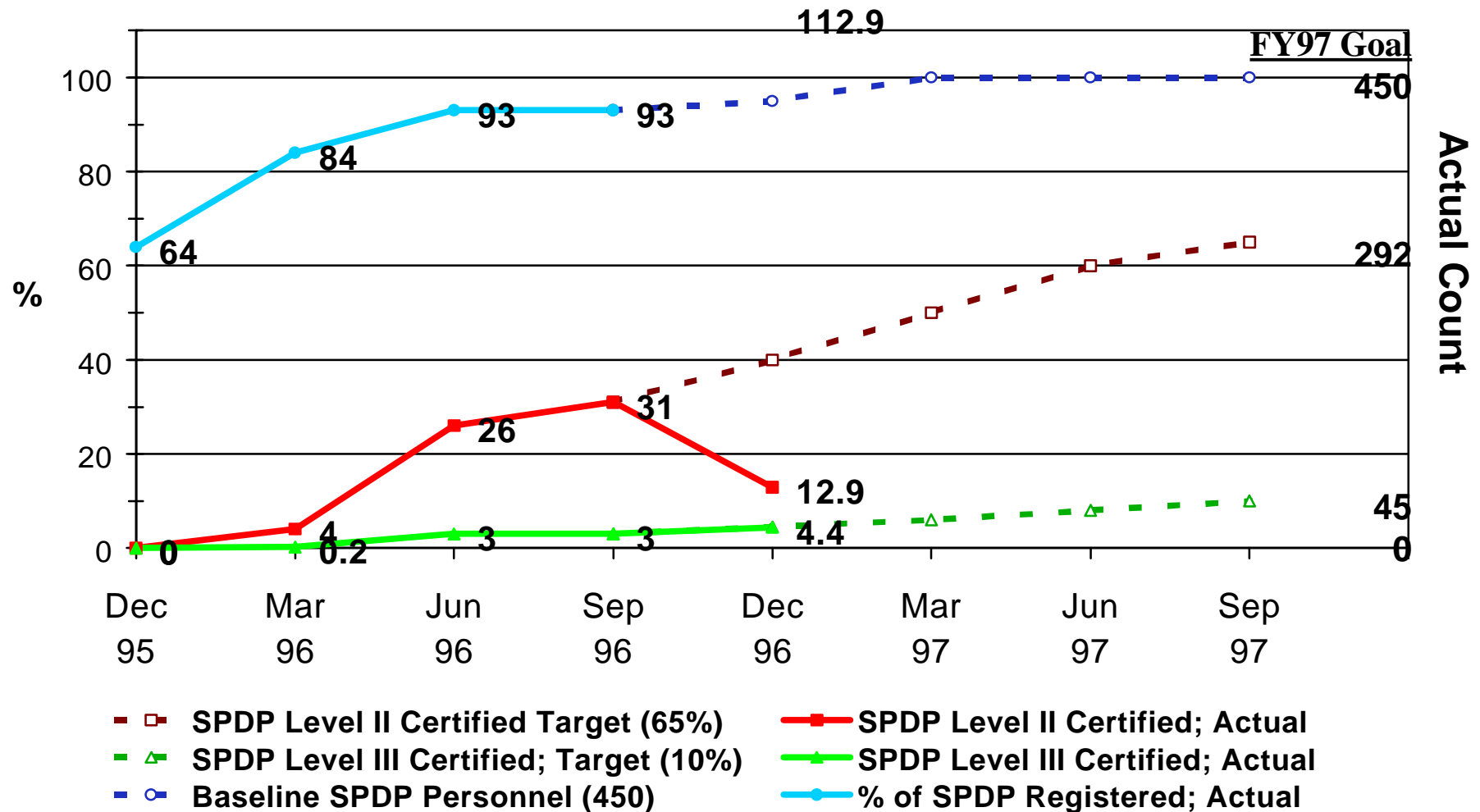
- C** = Complete
△ = Interim Event
▨ = Slippage



97-5.1.1.6

Right Talent

Percentage of Certified Software Professionals



Right Talent

Percentage of Certified Software Professionals

Status: Yellow

- **FY-97 course schedule incomplete:**
 - “Organic” courses (SSF, SSA, SSE) fully planned & executing to plan... \$820K
 - Hard schedule of other req’d courses not complete... \$932K
- **DBMS trng data is incomplete/suspect:**
 - Lead Agent is validating and scrubbing the data now
- **Fix Plan:**
 - Review total SPDP rqmt based on updated DBMS data
 - Profile each S/W professional: trng accomplished vs. req’d
 - Complete FY-97 course schedule & FY-98 plan by next MMR

2.3.5-Refine Internal Assessment

Chapter 9 by 31 Dec

Follow-up process by 1 Oct

Trend Reporting by 31 Dec

Portfolios by 31 Jan

**Chapter 9-Yellow (Brief EC 2/20,
AQ 3/7)**

**Follow-up process-Yellow (Letter
9/20, also**

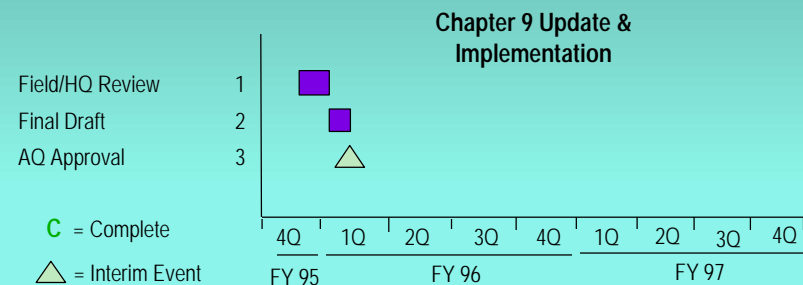
Chapter 9 update)

**IOA Trend Analysis-Yellow (Report
by 28 Feb)**

MMR Support-Green

Portfolios-Red (31 Mar)

J. Glover, AQBC, 767-2414



Management Control Program:
Management Control Reviews
Annual Statement of Assurance

IOAs:
Follow-up Process
Cross-Tell Reporting

Management Analysis:
Data/Trend Analysis
MMRs

IOA Tracking System

[illegible]

Implement Unit Cost Management (Formerly DBOF)

**Status: A&T Study recommends DCMC commit to unit cost management,
Pending DepSecDef approval**

Schedule:

Commit to Unit Cost Mgt	Jan 97
Develop Unit Cost Mgt System	Jan-Sep 97
Functional Review to determine value added	Jan-Sep 97
Brief OSD study team on results of review	Aug 97
OSD brief DAB on results	Sep 97
Test Unit Cost Mgt	Oct 97-Sep 98
Evaluate UC for possible transition to alternative financing	Oct 97-May 98
Brief OSD on results of evaluation	Jul 98
OSD Study team brief DAB on results	Jul 98
Begin transition to alternative funding	Oct 98

5.2.1-Partnering with Union

Increase the percent of organizations with partnership agreements.

New Metric developed to track Partnership Opportunities.

Partial data briefed at Feb MMR

Vicki Paskanik, AQBA, 767-2456

PARTNERSHIP OPPORTUNITIES

- October MMR Action was to develop a Metric to quantify Partnership Opportunities
- November VTC with District Reps established the mechanisms to track Partnership Opportunities
- December LMR training for Headquarters.
- February MMR, briefed new Metric (Partnership Opportunity)
 - Partnership Opportunity data collected was revised
 - Partial data briefed

5.2.1 - Partnering with the Union				
TOTAL DCMC				
	Oct	Nov	Dec	Jan
Number of Existing Agreements:	27	27	27	29
Number of New Agreements:	0	0	2	0
Number of ULPS:	4	0	2	2
Number of Open ULPS:	2	0	1	1
Number of Grievances:	1	0	1	3
Number of Open Grievances:	0	0	1	2
Partnership Opportunities:	0	0	0	0
Number of Documents:	0	0	1	3
Number of Conferences:	0	0	0	0
Number of Courtesy Copies:	19	31	4	0
Number of Meetings:	1	4	1	3
Other:	0	0	1	0

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Benefits Tracking

- Efforts in these categories:

- Increase Partnership Agreements with the Union
- Improve Communications

- To determine our progress in becoming the model for management and employee partnership

- Measure the following:

- Number of Partnership Opportunities and
- Number of new agreements
- Track Decrease in the Number of ULP and Grievances

Performance Goal 5.2.1

Partnering with the Union

- STATUS: YELLOW**
- The current Organization / Structure of the Partnership Council does not support the volume of information provided to the Union by DCMC.**
- AQB met with Union President to address potential solutions.**
- Proposed resolution:**
 - A PAT of DLA / Union Officials will develop an alternative approach.**

ACTION ITEMS

AQ

MONTHLY MANAGEMENT REVIEW

ACTION ITEMS

AQ MONTHLY MANAGEMENT REVIEW

1. AQOD. PARTIALLY COMPLETE. UCAs - Change the metric to overage dollars after the Automated Metric System (AMS) has been installed for this item.

As agreed at the Aug MMR, overage dollars has been identified as the metric for UCAs. However, it will be collected after the Automated Metric System (AMS) has been installed. The first increment of the Automated Metric System, which will include this measure, was scheduled to go into operation Jan 97. AMS schedule has slipped to May 97. (This action will be closed upon implementation of the AMS increment incorporating UCAs.) ECD: May 97.

**2. AQOE. CLOSED. BENCHMARKING -
Review utility of scheduled benchmarking projects. Assess
results and determine which projects should be continued.**

All memorandums outlining general benchmarking results and individual project results have been sent to DCMC Offices. The Distributed Computing project, led by AQACP, will continue until completion in April 97 (as scheduled). No new DCMC sponsored projects will be started at this time.

**3. AQOE. CLOSED. CANCELING FUNDS
DATA - Discussion at the Dec MMR centered around the
availability/nonavailability of data. Additional specifics are
needed as to what is driving overage in canceling funds.
Explore getting a list of canceling funds by CAO to
determine who the drivers are. Additional information will
be gathered and provided to AQ in time for the 9 Jan
meeting with Dr. Hamre.**

AQOE researched the methods used to calculate the report/data for tracking canceling funds. The results indicated that each source for this data had significantly different numbers based on time frame of report, adjustments made by DFAS, ULOs and funds obligated on contracts during that time period. AQOE has determined the dollars reported by the services as canceled at end of FY96 are the most accurate and will be used. Figures were provided at the last MMR.

Direction for how to identify overage drivers has been determined: 5% goal for the Contracts Overage with Canceling Funds metric will be eliminated; revision of this metric to track canceling funds for all Contract Administration Report (CAR), Part A Sections; development of a method for sorting canceled funds by buying activity; provide this information to the DCMC Liaisons so they can work with their Buying Activity; and, send letters with the same information to Buying Activities without liaisons. This effort should heighten the Buying Activities awareness of actions needed to prevent canceled funds.

4. AQOD. CLOSED. PRE AWARD SURVEYS -
Ms. Pettibone requested a review of PAS via trailer cards to
determine what customer feedback information indicates
regarding PAS quality.

A total of 604 trailer cards were received for DCMD East and West for FY96. (DCMDI was not available.) Of the total, only 15 cards listed complaints. However, we got 184 accolades. The balance of cards received had no comments.

5. AQOA. PARTIALLY COMPLETE.
CUSTOMER SATISFACTION SURVEYS - Check with
liaisons to determine their input on who best to survey
within their ICPs.

Input has been received from liaisons. The plan of action is under review. ECD: Mar 14, 1997.

6. AQAC. PARTIALLY COMPLETE.
INFORMATION TECHNOLOGY - Develop a way, based on past performance, to point to contractors who should be awarded Automated Information System (AIS) contracts.

Met with CANM on Feb 5 to initiate action to develop procedures to consider past performance when awarding contracts for AIS development. ECD: Mar 31, 97.

7. AQAC. PARTIALLY COMPLETE.
INFORMATION TECHNOLOGY - Redo the method we use to rate the IRM area (performance goal) in the MMR. (We need a way to reflect original milestones and schedule slippages.)

New FY97 Information Technology Performance Goal 2.1.6 submitted to AQBA. It is on the schedule to be briefed during the Mar MMR by AQAC. ECD: Mar 14, 97.

8. AQOF. CLOSED. SOFTWARE - All of the software metrics need a revised (expanded) list of process drivers.

All metrics were reviewed. The Software metrics “1.1.1.4 - Right Advice: Software Capability Reviews on Government and Contractors” and “5.1.1.6 - Right Talent: Software Professional Development Program” are considered non-metric and do not have process drivers.

Software metric “1.2.1.4 - Right Item: Software Recommendations Adopted” does have process drivers. as a result of feedback from the Ops. Chief’s Orlando meeting, and a comprehensive review of “Guidelines for Successful Acquisition and Management of Software-Intensive Systems” (Vols 1 &2 from the Software Technology Support Center, Ogden, UT), the process drivers essentially remain the same. AQO was briefed on process drivers.

9. AQOE. CLOSED. TERMINATIONS - We need to gain visibility over deobligations on terminated contracts. Develop a new/modified "terminations" metric that will factor in the funds issue re terminations actions.

Policy Memorandum #97-21, Strategy and Metrics for Terminations for Convenience (Policy), dated Feb 7, 97 implements a new metric which covers average cycle time for termination dockets less than two years of age.

10. AQGC. CLOSED. NEW TOP LEVEL METRIC - Add Open Overhead Negotiations as part of the Command's top level metrics.

New metric 4.4.1 added as Performance Metric.

11. AQOK. CLOSED. WORKFORCE STRATEGY -
Show the results of the survey to validate the process drivers for
workforce metrics at the next MMR.

Process driver analysis was discussed in detail at Jan AQO
MMR.

12. AQOF. CLOSED. EARNED VALUE
MANAGEMENT SYSTEM - Contractors need to be informed
about how we are changing the way we are doing business.
Prepare a comprehensive plan on how we are going to manage the
whole EVMS issue.

Plan has been completed. It was briefed and coordinated with
AQO. The action plan and milestones are provided in ITS.

13. AQBC. PARTIALLY COMPLETE. TRIP
INFORMATION - Establish procedure to have as part of read
ahead package CAO metrics for each AQ visit.

Draft procedure being revised based on AQB comments.
ECD: Mar 31, 97